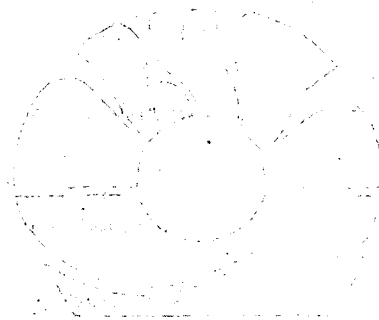


SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED



**20TH
ANNUAL REPORT
2008-2009**



Shri Gang Industries and Allied Products Limited

BOARD OF DIRECTORS

Chairman	Shri J.K. Jain
Managing Director	Shri Rajesh Gupta
Whole Time Director	Shri Gopal Das Aggarwal
Directors	Shri Inder Mani Mittal Shri Sanam Gambhir
Company Secretary	Praveen Kumar Pandey
Bankers	Punjab National Bank
Auditors	M/s Tas Associates, Chartered Accountants
Registered Office	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahr, U.P.
Corporate Office	B-19, Sector - 8, NOIDA, UP
Share Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi.



NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Shri Gang Industries and Allied Products Limited will be held on Wednesday the 30th day of December, 2009, at 10:00 A.M. at the Registered Office of the Company at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2009 and the Profit & Loss Account for the year ended on that date and report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sanam Gambhir, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

“Resolved that Shri J.K.Jain who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of this Annual General Meeting be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”

5. To consider and if thought fit, to pass the resolution with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the consent of the company be and is hereby accorded in terms of section 293(1)(a) and all other applicable provisions if any, of the companies act,1956 for creating first charge on pari passu basis and /or mortgaging and /or charging by the Board of Directors of the company of all the immovable properties of the company wheresoever situated present and future and the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of the following parties .

As and by way of First Charge on Pari Passu Basis:-

- a) The Commercial Tax Department Govt. of Uttar Pradesh, for the deferment of dues payable by the company under the Trade Tax/VAT/Central Sales Tax Acts amounting to Rs. 3000 lacs
- b) Punjab National Bank for its Working Capital facilities of Rs. 515 lacs(Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs)
- c) Punjab National Bank for its Adhoc limits of Rs. 145 lacs.
- d) The Pradeshiya Industrial & Investment Corporation of U.P. Ltd for its Interest Free Trade Tax Deferment Loan of Rs 446 Lacs.

RESOLVED FURTHER THAT the consent of the company be and is hereby accorded in terms of section 293(1)(a) and all other applicable provisions if any,of the companies Act,1956 for mortgaging and/or charging and/or creating first charge on pari passu basis alongwith the charge of other Financial Institution/Banks by the board of directors of the company wheresoever situated, present and future,and the whole or substantially the whole of the undertaking or the undertaking of the company in favour of Commercial Tax department/State Government/banks by deposit of title deed to ICICI as agent of The Commercial Tax Department. Govt. of Uttar Pradesh and Punjab National Bank by constructive delivery of deeds title in terms of the agreement entered into/to be entered into by the company.



Shri Gang Industries and Allied Products Limited

FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorised to do all such acts, deed and things as may be necessary for giving effect to the above resolution.”

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

Resolved that pursuant to section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent and approval of the members of the company be and is hereby accorded to the appointment of Shri Gopal Dass Aggarwal as Whole Time Director of the company in accordance with Part I of Schedule XIII of the Companies Act, 1956 to hold office for a period of one year from the date of conclusion of the twentieth Annual General Meeting to the conclusion of the Twenty-first Annual General Meeting on a total monthly remuneration of Rs. 15000/- per month as approved by the Remuneration Committee in accordance to provisions of Part II of the Schedule XIII of the Companies Act, 1956 with liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified therein, or in any amendments and/or modifications that may hereafter be made in schedule XIII and other applicable provision by the Central Government or as may be agreed between the Board of Directors and Shri Gopal Dass Aggarwal.

Resolved further that where in any financial year closing on and/after 1st April, 2009 the company has no profits or its profits are inadequate the company may pay Shri Gopal Das Aggarwal by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the Board of Directors and Remuneration Committee and to be within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution.”

- 7 To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“Resolved that subject to the approval of the members in the General Meeting and pursuant to section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the appointment of Shri J.K.Jain , as whole Time Director of the company in accordance with schedules XIII of the companies act, 1956 to hold office for a period w.e.f 31.10.2009 till the conclusion of twenty-first Annual General Meeting on a total monthly remuneration of Rs. 50250/- per month as set out in the explanatory statement to this resolution.

Resolved further that where in any financial year closing on and/after 1st April, 2009 the company has no profits or its profits are inadequate the company may pay where the Director by way of salary, perquisite and other allowances within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution.”

By order of the Board
For Shri Gang Industries and Allied Products Limited

Sd/-

(Praveen Kumar Pandey)
Company Secretary

Place : Noida

Date : 27.11.2009

Registered Office :
A-26, UPSIDC Industrial Area,
Sikandrabad, Distt. Bulandshahar (U.P.)



Shri Gang Industries and Allied Products Limited

NOTES :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 4 to 7 as set out above is annexed hereto.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote, instead of himself and the proxy need not be a member of the company, Proxy in order to be effective, must reach the Registered Office of the company duly stamped, not less than 48 hours before the time fixed for the meeting. Proxy Form is enclosed.
3. The Register of Members and Share Transfer Book, of the company will remain closed from Monday the 28th December, 2009 till Wednesday, the 30th December, 2009 (Both days inclusive).
4. Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
5. Members are requested to notify immediately any change in their address, quoting folio numbers to the company.

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

ITEM NO. 4

The Board of Directors appointed Shri J.K.Jain as an additional Director of the Company in accordance with Article 80 of the Articles of Association of the Company and section 260 of the Companies Act, 1956 to hold the office upto the date of ensuing Annual General Meeting. The Company has received a notice from shareholder u/s. 257 of the Companies Act, 1956 along with Rs.500/- proposing the candidature of Shri J.K.Jain for the office of Director. Your Directors recommend the resolution set out at item no. 4 for your approval.

None of the Directors except Shri J.K.Jain is interested in the resolution.

ITEM NO. 5

The Company has been granted

- 1) Deferment of dues payable under the Trade Tax Act/VAT Act/CST Act by the Commercial Tax Department Govt. of Uttar Pradesh, which would amount to Rs. 3000 lacs (approx),
- 2) Working capital facilities by Punjab National Bank (Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs and ad hoc CC limit upto Rs145 lacs)
- 3) Interest Free Trade Tax Deferment Loan of Rs 446 Lacs by The Pradeshiya Industrial & Investment Corporation of U.P. Ltd For this purpose the Company has to create first charge on pari passu basis by way of mortgaging and /or charging by the Board of Directors of the company of all the immovable properties of the company wheresoever situated present and future and the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of the following parties .

As and by way of First Charge on Pari Passu Basis:-

- a) The Commercial Tax Department Govt. of Uttar Pradesh, for the deferment of Trade Tax/VAT/Central Sales Tax amounting to Rs. 3000 lacs
- b) Punjab National Bank for its Working Capital facilities of Rs. 515 lacs(Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs)
- c) Punjab National Bank for its Adhoc limits of Rs. 145 lacs.
- d) The Pradeshiya Industrial & Investment Corporation of U.P. Ltd for its Interest Free Trade Tax Deferment Loan of Rs 446 Lacs.

The company has initiated this resolution to be passed by the shareholders by postal ballot under section 192 A of the companies act and send the Notices and Ballot Forms to all the shareholders of the company and had appointed Shri G.S.Khurana, Practicing Company Secretary to act as Scrutinizer for the Postal Ballot Process. The result of the Postal Ballot to be announced by the Chairman in the ensuing Annual General Meeting.

Your directors, therefore recommend the resolution set out at above for your approval.

None of the Directors are interested in the resolution.



ITEM NO. 6

Shri Gopal Das Aggarwal was re-appointed in last Annual General Meeting as Whole Time Director of the company from the conclusion of 19th Annual General Meeting till the conclusion of 20th Annual General Meeting.

It was proposed by the board to re-appoint Shri Gopal Das Aggarwal as Whole Time Director of the company for a further period of 1 year from the conclusion of the 20th Annual General Meeting till the conclusion of 21st Annual General Meeting on a monthly remuneration of Rs 15000/- as detailed below-

- 1) Basic Salary Rs. 9000/- P.M.
- 2) House Rent Allowance of Rs.2250/- P.M..
- 3) Other Allowances Rs. 3000/- P.M.
- 4) Perquisites: To be paid to Whole Time Director as mentioned below:
 - a) Company's Contributions to Provident Fund: As per Rules of the Company, but not exceeding 12% of the salary, as laid down in the Income Tax Rules, 1962.
 - b) Medical Reimbursement for self and family: Rs.750/- P.M.
 - c) Leave encashment as per the rules of the Company

Your Directors recommend the resolution set out at Item No. 6 for your approval.

None of the Directors except Shri Gopal Dass Aggarwal is interested in the said resolution.

ITEM NO.7

The member may note that board of directors in their meeting held on 31st October, 2009 appointed Shri J.K Jain , as Whole Time Director of the company for a period w.e.f 31.10.2009 till the conclusion twenty-first Annual General Meeting of the company .The appointment of Shri J.K.Jain as Whole Time Director was made as per Section 198, 269, 309 and 310 read with schedule XII of the companies act and further subject to the approval of members in the General Meeting. The details of remuneration to be paid to Shri J,K, Jain are mentioned below:

Basic Salary	Rs 35000 per month
House Rent Allowance	Rs 14000/ per month
Medical reimbursement/allowance:	Rs.1250/ P.M
Travel for official work	As per rule of the company

Your Directors recommend the resolution set out at item no. 7 for your approval.

None of the Directors except Shri J.K.Jain is interested or concerned in the resolution.

By order of the Board

For Shri Gang Industries and Allied Products Limited

Sd/-

(Praveen Kumar Pandey)

Company Secretary

Place : Noida

Date : 27.11.2009

Registered Office :

A-26, UPSIDC Industrial Area,

Sikandrabad, Distt. Bulandshahar (U.P.)

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING**

Shri Sanam Gambhir has over 7 years experience in industry, commerce & business. He is associated with the company since last two years and is seeking re-election as director of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
Grandslam Developers Pvt. Ltd. - Director	Shri Gang Industries and Allied Products Ltd. - a) Investors' Grievance/Share Transfer Committee- Member b) Audit Committee - Chairman c) Remuneration Committee - Chairman

Shri J.K.Jain has done graduation in Commerce and over 40 years of rich experience in Industry, Commerce and Business and proposed to be appointed as additional Director and Chairman of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
Suraj Industries Limited, Director Mohan Meakins Ltd. Director	Suraj Industries Ltd- a) Remuneration Committee- Chairman b) Investors' Grievance/Share Transfer Committee- Member Mohan Meakins Ltd. Audit Committee - Member



Shri Gang Industries and Allied Products Limited

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their Twentieth Annual Report along with the Audited Statements of Account for the year ended June 30, 2009.

Financial Results

Financial Results for the year's operations and the comparative figures of the previous year are summarised below:

	(Rs. In Lacs)	
	Year ended June 30, 2009	Year ended June 30, 2008
Sales	16877.69	18463.75
Profit before Financial Charges & Depreciation	(1068.49)	(662.49)
Financial Charges	76.01	79.77
Depreciation	94.35	93.08
Extra Ordinary Expenses :		
Prior period Expenses	20.03	14.80
Net Profit/(Loss) before Tax	1258.70	847.26
Income Tax (Fringe Benefit Tax)	2.17	2.88
Net Profit (Loss) for the year	(1261.06)	(850.14)

APPROPRIATIONS

Dividend	—	—
Transfer to General Reserve	—	—
Provision for Leave Encashment reversed under transitional provision as per AS 15	—	4.30
Loss brought forward	(4387.82)	(3541.98)
Transfer from Investment allowance reserves	—	—
Balance in profit & Loss Account carried to Balance sheet	(5648.68)	(4387.82)

Dividend

In view of Company's Financial Position, the Directors are unable to recommend any dividend. The company's share are listed at Mumbai and the company has deposited the listing fee to the Stock Exchange for the year 2009-2010 pursuant to clause 38 of the listing agreement.

Operations

During the year under review the company has incurred a loss of Rs 1261.06 Lacs. The major factor was sluggishness in the market resulting out of global meltdown last year. Due to general recession worldwide there was a steep decline in the prices of edible oils which also affected the business.



Shri Gang Industries and Allied Products Limited

Deposits

During the year the company has not accepted any public deposits. However, the company has accepted the deposits from the specified persons in earlier years and the statement in lieu of advertisement has been filed with the Registrar of Companies for those years. However there is no default in repayment of any deposit.

Directors

Shri Sanam Gambhir Director retire by rotation and being eligible offer himself for re-appointment. During the year, Shri S.K. Jain resigned from the Directorship of the company. The expertise and invaluable guidance of Shri S.K. Jain has helped the company to a greater extent in forging ahead. The Board places on record its deep appreciation and gratitude for the valuable advise, guidance, assistance and service rendered by him during his tenure on the board.

Shri J.K. Jain was appointed as Additional Director under section 260 of the Companies Act, 1956 and Whole Times Director of the Company on 31.10.2009. The company has received the notice from member under section 257 of the Companies Act, 1956 proposing the appointment of Shri J.K. Jain as regular director of the company.

Directors' Responsibility Statement

Pursuant to the provisions contained in section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm:

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b. That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2008-09 and of the loss of the company for that period.
- c. That they have 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 for preventing and detecting fraud and other irregularities.
- d. That they have prepared the annual accounts on a going concern basis.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement for Corporate Governance your company has constituted the Audit Committee of the Board of Directors with the following composition as on 30th June 2009 :

1. Shri Sanam Gambhir
2. Shri S.k. Jain
3. Shri Inder Mani Mittal

The audit committee was re-constituted on 31st July 2009 by inducting Shri Gopal Dass Agarwal in place Shri S.K. Jain who has resigned from the Directorship and membership of the audit Committee.

This committee has reviewed the Accounts for the year ended June 30, 2009.

Corporate Governance

SGIAPL continues to function in a transparent manner with the basic philosophy to create wealth, besides taking care of the interest of all stakeholders including shareholders, banks, Financial Institutions, customers, Employees and the society at large.



Shri Gang Industries and Allied Products Limited

Your company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect. A separate section on Corporate Governance and a certificate from the Practising Company Secretary regarding compliance of conditions of Corporate governance as stipulated under clause 49 of the Listing Agreement with the stock exchanges from part of the Annual Report.

Auditors

M/s Tas Associates, Chartered Accountants, Auditors of the company hold office until the conclusion of ensuring Annual General Meeting and your directors recommended their re-appointment. The company has received the requisite certificate from M/s Tas Associates, Chartered Accountants to the effect that their re-appointment of effected, would be within the limits prescribed u/s 224(1-B) of the Companies Act, 1956.

Insurance

All the insurable interest of the company including inventories, building and plant & machinery under legislative enactments are adequately insured.

Disclosure of Particulars

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information and data is given in Annexure I to this Report.

Industrial Relations

The Industrial Relations have continued to be stable and harmonious during the course of the year. Your company has made sustained efforts to improve manpower productivity and employer-employee relations.

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1957 as amended, the names and other particulars of the employees are set out in Annexure II hereto forming part of this report.

Acknowledgement

We wish to place on record our sincere appreciation of the continued valuable, co-operation, guidance and support provided to the company by its bankers Punjab National Bank, Directorate of Vanaspati, Government of Uttar Pradesh and the local authorities.

The Directors also express their thanks to the large number of customers and associates for their patronage.

In the end, your directors wish to place on record their deep appreciation of the enthusiasm, initiative and hard work put in by the staff and workers of the company at all levels which enables your company to make all round progress.

For and on behalf of the Board
For Shri Gang Industries & Allied Products Limited

Sd/-
J.K.Jain
Chairman

Place : NOIDA
Date : November 27, 2009



Shri Gang Industries and Allied Products Limited

ANNEXURE TO DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217(1)(E) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2009.

I. Conservation of Energy :

- i) Plate Heat Exchanger has been installed to improve the efficiency of Refrigeration plant consequently reducing the cooling time for vanaspati.
- ii) Steam condensate is being used in boiler to reduce the consumption of Rice husk.
- iii) Water recovery system has been installed to re-circulate waste water through cooling tower resulting in saving of water and power.
- iv) Details of total energy consumption and energy consumption per unit of Production as per Form 'A' are given hereunder :

	Year ended June 30, 2009	(Rs. In Lacs) Year ended June 30, 2008
POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchased		
Units (KWH)	3539445	3846880
Total amount (Rs. Lacs)	166.12	175.97
Rate / Unit (Rs.)	4.69	4.57
b) Own Generation		
Through Diesel Generator		
Units	337488	196177
Units per Litre of Diesel Oil	2.70	2.71
Cost/ Unit	11.26	10.46
Through Steam Turbine / Generator Units	NA	NA
Units per Litre of Fuel	NA	NA
Oil/ Gas	NA	NA
Cost/ Unit	NA	NA
2. Coal (Specify quantity and where used)	NA	NA
3. Furnace Oil	NA	NA
4. Other / Internal Generation		
a. De-oiled Rice Husk (for Boiler)		
Quantity (MT)	12113	13145.00
Total Cost (Rs. Lacs)	391.20	403.04
Rate / MT (Rs.)	3229.59	3066.11
b. Diesel & Other (For Process House)		
Quantity Litres	9825	3833
Total Cost (Rs. Lacs)	3.24	1.07
Average Rate (Rs.)	33	27.92
5. Consumption per unit (MT) of production		
Production (Tones)	37705.649	32795.601
Electricity (KWH)	103	123.28
Diesel & Other (Litres)	0.26	0.12
Coal	—	
De-oiled Rice Husk (Kg.)	349	400.82



Shri Gang Industries and Allied Products Limited

II. Technology Absorption:

Research & Development

The company has installed various laboratory equipments to monitor and reduce oil losses.

The company has started physical refining oils resulting in reduced cost of production.

Future Action Plan

R & D effort is going on to make special grade Bakery Fats with better baking properties.

Technology Absorption, Adaptation and Innovation

The continuous process technology used by the company is updated one. The company has not imported any technology for its products and it has no technical collaboration with any foreign party.

III. Foreign Exchange Earnings & Outgo

NIL

For and on behalf of the Board

For Shri Gang Industries and Allied Products Limited

Sd/-

J.K.Jain

Chairman

Place : NOIDA

Date : November 27, 2009

ANNEXURE TO THE DIRECTOR'S REPORT

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED JUNE 30, 2009.

Sl. No.	Name	Age	Qualification	Designation/ Nature of Duties	Date of Commencement of Employment	Remuneration (Rs.)	Experience (Yrs.)	Last Employments Held & Name of the Organisation	Designation
1.	Rajesh Gupta	54	M.Sc. MBA	Managing Director	30-12-2008 to 30-06-09	1200000	30 Years	Suraj Vansapati Ltd.	CEO

For and on behalf of the Board

For Shri Gang Industries and Allied Products Limited

Sd/-

J.K.Jain

Chairman

Place : NOIDA

Date : November 27, 2009



Shri Gang Industries and Allied Products Limited

Management Discussion and Analysis

Shri Gang Industries and Allied Products Limited is engaged in manufacture and Sale of Vanaspati, Refined Oils and Bakery Shortening. It manufactures these products under its brands "Apna and "Mr. Baker" and the sale are mainly in the State of Uttar Pradesh.

OPPORTUNITIES

With the growing health consciousness amongst the masses, the preference for refined oil as a cooking medium is increasing day by day. But vanaspati has its own loyal consumers and in certain type of cooking it can not be replaced by refined oil. But as the per capita consumption of edible oil increases in India, the major chunk of this increase shall go to refined oils. Therefore, the company sees an opportunity in the refined oil segment and in the coming years shall increase its focus on refined oil segment. The company's bakery shortening is well accepted in the market and company plans to further strengthen its presence in this specialized market.

FUTURE OUTLOOK

With the increased oilseeds production in the country, the prospects of the domestic oil refining industry shall definitely improve. Then, there is growing demand for vanaspati and bakery shortening by biscuit manufactures and bakers which the company hopes to tap to its potential.

THREATS

The inconsistent Government policies relating to import duties on edible oils as well as Vanaspati and Bakery shortening is biggest threat to the industry.

FINANCIAL PERFORMANCE

The sales of the company during the year was 16877.69 lacs against Rs. 18463.75 lacs last year. However, during the year under review the company incurred loss of Rs. 1261.06 lacs as against loss of Rs. 850.14 lacs last year. The major factor was sluggishness in the market resulting out of global meltdown last year. Due to general recession worldwide there was a steep decline in the prices of edible oils which also affected the business.

FINANCE COST

The interest and financial charges for the year ended June 30, 2009 was Rs. 76.01 lacs as against Rs. 79.77 lacs last year.

SHARE CAPITAL

Share Capital of the company comprises of Equity Share Capital of Rs. 793 lacs.

RESERVES AND SURPLUS

As on June 30, 2009 the reserves and surplus amounted to Rs. 220.81 lacs and the accumulated losses amounted to Rs. 5648.88 lacs.

EARNING PER SHARE

The earning per share for the year ended June 30,2009 was negative due to losses.

INTERNAL CONTROLS

The company has adequate internal controls commensurate with its size and nature of business. These internal controls ensure optimum use as well as protection of available resources.

HUMAN RESOURCES

The true assets of the company are its manpower. The company recognizes and appreciates the contribution of the employees in its working.

ENVIRONMENT CONSCIOUSNESS

The company is environment conscious. It has got an effluent plant where the plant waste is treated before disposal.



Shri Gang Industries and Allied Products Limited

REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company:

1. COMPANY'S PHILOSOPHY

Corporate Governance is an important cornerstone of our objective of creating shareholder value. The Company firmly believe in and have consistently practiced good corporate governance. Corporate Governance at the company is practiced through a well structured organisation and regulatory framework involving the Board of Directors, Committees of the Board, the Chairman and a team of Senior Executives. Our Corporate Governance Policies recognize the accountability of the Board and the importance of its decisions to all our consultants including investors, employees, bankers, etc. The Company's essential character and complexion are shaped by the very values of transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

(a) Board Procedure:

During the financial year ended June 30, 2009, Eight meeting of the Board of Directors was held on 31/7/2008, 8/9/2008, 20/09/2008, 31/10/2008, 24/11/2008, 30/12/2008, 31/1/2009 and 30/4/2009.

(b) Composition and Category of Board:

The Board of Directors as on June 30, 2009, consists of a majority of Non-Executive Independent Directors, many of them are acknowledged as leading professionals in their respective fields. In all the Board comprises of Two (2) Executive Directors and (2) Non Executive Independent Directors. The constitution of Board, as on June 30, 2009 are given below: -

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2008-2009	Attendance at last AGM
		Board	Committee			
			Member-ship	Chairman ship		
Shri Sanam Gambhir	Non Executive Independent	-	-	-	8	yes
Shri Gopal Das Aggarwal	Executive Director	-	-	-	8	Yes
Shri Inder Mani Mittal	Non Executive Independent	1	1	-	8	No
Shri S.K.Jain*	Non Executive Independent	1	2	-	7	Yes
Shri Rajesh Gupta**	Executive Director	-	-	-	3	No

* Ceased to be director on 30.4.2009

** Appointed on 30.12.2008

None of the Directors of the Company is a member of more than 10 committees or Chairman of more than five committees across all the companies in which they are Directors

3. AUDIT COMMITTEE

The Company had constituted an Audit Committee in the year January 2001. The Constitution of Audit Committee meets the requirements under Section 292 A of the Companies Act, 1956 and Clause 49 of the



Shri Gang Industries and Allied Products Limited

Listing Agreement in the financial year 2008-2009. All the members of the committee except one are non-executive Independent Directors who has financial / accounting acumen to specifically look into the internal controls and audit procedures.

During the year, five Audit Committee meetings were held on 31/7/2008, 20/09/2008, 24/11/2008, 31.10.2008 and 30/1/2009. The composition of Audit Committee as on June 30, 2009 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2008-2009
Shri Sanam Gambhir	Chairman	5
Shri S.K.Jain	Member	5
Shri Inder Mani Mittal	Member	5

Mr. Praveem Kumar Pandey, Company Secretary acts as Secretary of the Committee.

The terms of reference to the Audit Committee include inter-alia the following:

- (a) To review the quarterly, half years and annual financial statements before submission to the Board for approval
- (b) To discuss the Auditors about internal control system and to consider their observations and follow-up
- (c) To ensure compliance of internal control system
- (d) Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in:
 - (i) Accounting policies and practices
 - (ii) Major accounting entries based on the exercise of judgment by management
 - (iii) Qualifications in the draft audit report
 - (iv) The going concern concept
 - (v) Compliance with accounting standards
 - (vi) Any related party transactions i.e. transactions of the company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.
- (e) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- (f) Reviewing the adequacy of internal audit functions.
- (g) Discussions with internal auditors any significant finding and follow up there on.
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (i) Discussions with external auditors before the audits commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- (j) To investigate on any matter referred the Board.



Shri Gang Industries and Allied Products Limited

4. REMUNERATION COMMITTEE

The Board of Directors in their meeting held on April 27, 2002 constituted the Remuneration Committee. During the year the Board had re-constituted the Remuneration Committee in its meeting held on 26/11/2007 comprising of 2 (Two) Directors Shri Sanam Gambhir as Chairman and Shri S.K.Jain as member.

The scope of the Committee includes inter alia, appointment, removal and compensation issues of key managerial personal of the Company. The Remuneration Committee meets with the requirement under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. As on June 30, 2009, the Committee comprises of two Non-Executive Independent Directors viz. Shri Sanam Gambhir as Chairman and Shri S.K.Jain as member.

Remuneration paid to Directors

The remuneration, if any, paid to the Directors is decided by the Board of Directors of the Company. However, the Non-Executive Directors, including two Independent Directors, do not draw any remuneration from the company.

5. INVESTORS' GRIEVANCES/SHARE TRANSFER COMMITTEE

Pursuant to the Provisions of Clause 49 of the Listing Agreement, the existing Share Transfer Committee has been renamed by the Board in its meeting held on 27th April,2002 as the "Investors" Grievance/Share Transfer Committee.

The committee meets once in a month, to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificate and reviews the status of investors grievances and redressal mechanism and recommend measures to improve the level of investor services. Details of shares transfer / transmissions approved by the committee are placed at the Board Meetings from time to time.

COMPOSITION

The constitution of the committee of Directors as on 30.06.2009 is as under:-

- (1) Shri Inder Mani Mittal : Chairman, Non-executive Independent Director
- (2) Shri Sanam Gambhir : Member, Non-executive Independent Director.

Mr. Praveem Kumar Pandey, Company Secretary acts as Secretary of the Committee.

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED & REPLIED TO THE SATISFACTION OF SHAREHOLDERS

During the year 2008-2009, the complaints received from shareholders, were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint as on June 30th, 2009.

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2006	SIAS Bhawan., UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar, Uttar Pradesh	22.12.2006	10 A.M
2007	A-26, UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar, Uttar Pradesh	29.12.2007	10 A.M
2008	A-26, UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar, Uttar Pradesh	30.12.2008	10 A.M



Shri Gang Industries and Allied Products Limited

7. DISCLOSURES

- (a) Disclosures on materially significant related party transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- (b) Details of non compliance by the Company, penalties, strictures Imposed on the Company by Stock Exchange of SEBI of any Statutory Authority, on any matter related to capital markets, during the last three years.

No penalties, strictures, were imposed on the Company by Stock Exchange of SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

- (a) The quarterly / half yearly results are forthwith communicated to all Stock Exchanges with whom the company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the company. Thereafter the results are published in the leading newspapers, namely, The Indian Express (all U.P.) and "Jansatta" (Hindi) published from Lucknow and Kanpur.

9. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting : 30.12.2009
Date and Time : 10 a.m.
Venue : A-26, UPSIDC Industrial Area
Sikandrabad, Dist. Bulandshahar
Uttar Pradesh
- (b) Book closure date : 28.12.2009 to 30.12.2009
- (c) Dividend payment date : N.A
- (d) Stock Exchanges at which Shares of the Company are listed. : The Stock Exchange, Mumbai
- (e) Stock Code : Code 523309
- (f) Stock Market Data

The Company's shares are not actively traded in the stock Exchanges where they are listed.

- (g) Share price performance in comparison to broad based indices.

No information received from the stock exchanges

- (h) Registrar and Transfer Agent : Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99, Madangir, New Delhi.

- (i) Share Transfer System

Transfers of shares in physical /Demat form are registered and dispatched within 3 weeks form the date of their receipt, subject to the documents being valid and complete in all respects. In case of objection, the same are also dispatched within 3 weeks.



Shri Gang Industries and Allied Products Limited

(j) Distribution of Shareholding as at June 30,2009

No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
Upto 5000	11418	94.61	1736920	21.93
5001 to 10000	399	3.31	331600	4.16
10001 to 20000	119	0.99	177500	2.23
20001 to 30000	40	0.33	103200	1.30
30001 to 40000	10	0.08	35200	0.44
40001 to 50000	13	0.11	61000	0.76
50001 to 100000	13	0.11	97100	1.23
100001 and above	55	0.46	5387480	67.95
Grand Total	12067	100	7930000	100.00

Shareholding pattern as on June 30, 2009

S.No.	Category	No. of Shareheld	% of holding
A.	Promoters & Associates holding	3037380	38.30
B.	<u>Non-promoters holding</u>		
1	Institutional Investors- Banks	179500	2.26
2	<u>Others</u>		
i)	Body Corporates	1758100	22.13
ii)	Indian Public	2948720	37.23
iii)	NRIs/OCBs	6300	0.08
	Sub-total (B)	4892620	61.70
	Grand Total	7930000	100

(k) Dematerialization of Shares and Liquidity

The Shareholders in the Annual General Meeting held on 24th December, 2001 approved for dematerialisation of shares. The company thereafter applied to CSDL/NSDL for demat of shares. The Conversion of company shares in dematerialisation has been declined by CSDL. The approval of the NSDL is awaited.

(l) Outstanding GDRs/ADRs/Warrants or

Convertible Instruments, conversion

Date and likely impact on Equity

Not Applicable

(m) Plant Location

A-26, UPSIDC Industrial Area,
Sikandrabad, Dist. Bulandshahar
Uttar Pradesh

Address for Investor correspondence
and for any query on annual report

A-8, Sector 19,Noida, U.P



Shri Gang Industries and Allied Products Limited

CORPORATE GOVERNANCE CERTIFICATE

The Certificate dated November 27, 2009 obtained from Mr. G S Khurana, Practicing Company Secretary, forms part of this Annual Report and the same is given herein:

To the members of Shri Gang Industries and Allied Products Limited

We have examined the compliance of the conditions of Corporate Governance by Shri Gang Industries and Allied Products Limited for the year ended on 30th June, 2009, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in clause 49 of the above-mentioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the company as per the records maintained by the Shareholders / Investors grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-

G S Khurana

Practicing Company Secretary

Date : November 27, 2009

Place : NOIDA

CP-7981

FCS-3873



Shri Gang Industries and Allied Products Limited

AUDITOR'S REPORT

TO THE MEMBERS OF SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED

1. We have audited the attached Balance Sheet of Shri Gang Industries & Allied Products Limited (Formerly Suraj Vanaspati Limited) as at June 30, 2009 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far, as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the applicable Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 30th June, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - f) To the best of our knowledge & belief, the provisions of Section 441A of the Companies Act, 1956 regarding the levy & collection of cess on turnover or gross receipts of the Company, have not yet been notified by the Central Government. Accordingly, we are unable to express our opinion on the compliance of the said section in terms of clause (g) of sub-section 3 of section 227 of the Companies Act, 1956 and clause 9 of the Annexure attached to our this report.
 - g) Subject to our comments in the statement referred to in paragraph 3 above, in our opinion and to the best of our information and according the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies' Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - I) in the case of the Balance Sheet, of the state of affairs of the company, as at June 30, 2009; and
 - II) in the case of the Profit and Loss Account, of the Loss of the company, for the year ended on that date; and
 - III) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For TAS ASSOCIATES
Chartered Accountants

Sd/-
(SUBODH GUPTA)

Partner

M. No.: 087099

Place : NOIDA
Dated : 27/11/2009



Shri Gang Industries and Allied Products Limited

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED (FORMERLY KNOWN AS SURAJ VANASPATI LIMITED)

FOR THE YEAR ENDED JUNE 30, 2009.

1.
 - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management carries out the physical verification of fixed assets in a phased manner over a period of two years and accordingly, part of fixed assets were physically verified during the year and no material discrepancies are stated to have been observed on such verification as compared to books records. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and the nature of its fixed assets.
 - c) The company has not disposed any substantial part of its fixed assets during the year.
2.
 - a) The stock of finished goods, stores, spares part and raw materials has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
 - b) In our opinion, the procedure of physical verification of inventory, followed by the management, is reasonable, and adequate in relation to the size of the company and nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies between physical inventory and the book records, as observed on verification, which were not material in relation to the size of the company, have been properly dealt with in the books of accounts.
3.
 - a) The company has not taken/ granted any loan from / to Companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purpose of purchase of inventory and fixed assets and for sale of goods. During the course of our audit, on random test check basis, no major weakness has been noticed in the internal controls in respect of these areas.
5.
 - a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
 - b) According to the information and explanations given to us, there is no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301, exceeding the value of five lakh rupees, in respect of any such party during the year.
6. According to information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under as are applicable.
7. In our opinion, the company has an adequate Internal Audit system commensurate with its size and nature of its business.
8. Pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956, we are of the opinion that, prima facie, the prescribed accounts and records, relating to materials, labour and other items of cost, have been made and maintained.
9.
 - a) According to the records of the company, the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Trade Tax, State Development Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it. However, by virtue of order of the BIFR for the rehabilitation, an amount of Rs.2751.88 Lacs (Previous year Rs. 2292.99 Lacs) on account of trade tax /Vat/ State Development Tax/ Turnover Tax / Compounding tax, the payment has been deferred. See also Note no. 14 of part B of schedule M.



Shri Gang Industries and Allied Products Limited

- b) According to the records of the company and information and explanations given to us, there are no dues of Income Tax, Sales Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess on account of any dispute, except the following :

Name of the statute	Nature of Dues	Amount (Rs.)	Period to which the amount relate	Forum where dispute is pending
U.P. Trade Tax Act	Trade Tax	0.16 Lacs	2003-04	Deputy Commissioner Trade tax

Remark : However all these amounts have been deposited under protest

10. The accumulated losses of the company as at June 30, 2009 are more than its net worth. The company has incurred cash losses of Rs. 1166.71 Lacs during the financial year covered by our audit as against cash losses of Rs. 755.70 Lacs during immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks/FI's, as per rehabilitation scheme sanctioned by BIFR. See also Note No. 4 of Part B of Schedule M.
12. According to information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, there is no special statute applicable to the company; hence provisions related to requirement of NOF, prudential norms for income recognition, appraisal of credit proposal etc. are not required to be complied by the company.
14. Based on our examination of the records, in our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of the clause regarding proper records of transactions and contracts in respect of shares etc., is not applicable to the company.
15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. Based on information and explanations given to us and in our opinion, no term loans have been raised by the company during the year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments by the company.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956
19. The company has not issued any debentures.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For TAS ASSOCIATES
Chartered Accountants

Sd/-
(SUBODH GUPTA)

Partner

M. No.: 087099

Place : NOIDA
Dated : 27/11/2009



Shri Gang Industries and Allied Products Limited

BALANCE SHEET AS AT JUNE 20, 2009

SCHEDULES		As at 30.6.2009		As at 30.6.2008	
		Rs.		Rs.	
I. SOURCES OF FUNDS					
1. SHARE HOLDERS FUNDS					
1. SHARE HOLDERS FUNDS					
a) Share Capital	A	79300000		79300000	
b) Reserves & Surplus	B	<u>22081000</u>	101381000	<u>22081000</u>	101381000
2. LOAN FUNDS					
a) Secured Loans	C	92566929		123363527	
b) Unsecured Loans		37000000		14500000	
c) Deferred Credits		<u>357953584</u>	487520513	<u>347582593</u>	485446120
			<u>588901513</u>		<u>586827120</u>
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	D	218986702		202125143	
Less : Accumulated Depreciation		<u>162748875</u>	56237827	<u>153313589</u>	48811554
2. CAPITAL WORK IN PROGRESS					
3. INVESTMENTS					
4. CURRENT ASSETS, LOANS & ADVANCES					
a) CURRENT ASSETS					
Inventories		105334370		143232483	
Cash & Bank Balances		2116526		6686179	
Sundry Debtors		26427118		38835266	
b) LOANS & ADVANCES		<u>16240132</u>		<u>24865396</u>	
		150118146		213619324	
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities					
Provisions	G	185628866		112738790	
		<u>1431568</u>		<u>2088557</u>	
		187060434		114827347	
Net Current Assets					
			(36942288)		98791977
5. PROFIT & LOSS ACCOUNT					
			564888557		438781589
			<u>588901513</u>		<u>586827120</u>

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

This is the Balance Sheet referred to in our report of even date attached

For TAS ASSOCIATES

Chartered Accountants

Sd/-
(SUBODH GUPTA)
Partner
M.No.- 087099

Sd/-
Praveen Kumar Pandey
Company Secretary

Sd/-
J.K Jain
Whole Time Director

Sd/-
Gopal Das Aggarwal
Whole Time Director

Place: NOIDA

Date : 27/11/2009



Shri Gang Industries and Allied Products Limited

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009.

SCHEDULES		2008-2009	2007-2008
		Rs.	Rs.
I. INCOME			
1. Sales			
- Vanaspati		1499401899	1567752376
- Refined Oil		160342035	245,476,608
- By-Products		30702007	38120751
		<u>1690445941</u>	<u>1851349735</u>
Less : Excise Duty		2676108	4974539
		<u>1687769833</u>	<u>1846375196</u>
2. Other Income	H	3162795	5841821
3. Increase / (Decrease) in stocks	I	(27436655)	10969369
		<u>1663495973</u>	<u>1863186386</u>
II. EXPENDITURE			
1. Raw Material Consumed	J	1650126850	1802337424
2. Purchase of Vanaspati		6,594,000	-
3. Manufacturing and other Overheads	K	113510475	126675088
4. Financial Charges	L	7601870	7976211
5. Depreciation		9435285	9307977
6. Bad Debts written off		562636	-
Less : Provision already made		(562636)	-
7. Provision for doubtful debts		114234	136300
		<u>1787382714</u>	<u>1946433000</u>
		(123886741)	(83246614)
III. BALANCE			
IV. EXTRAORDINARY ITEMS			
- Prior period items (Net)		(2003121)	(1479905)
V. NET PROFIT/(LOSS) BEFORE TAX			
		(125889862)	(84726519)
Less: Provision for Tax			
- Current Tax		-	-
- Fringe Benefit Tax		(217106)	(260653)
- Fringe Benefit Tax (previous year)		-	(26865)
- Deferred Tax		-	-
(See Note 20 of Part B of Schedule M)			
VI. PROFIT/(LOSS) FOR THE YEAR			
		(126106968)	(85014037)
Add: Provision for Leave Encashment Reversed		-	430375
(Under Transitional Provision of AS 15)			
VII. LOSS BROUGHT FORWARD			
		(438781589)	(354197927)
VIII. BALANCE CARRIED TO BALANCESHEET			
		(564888557)	(438781589)
BASIC & DILUTED EARNING PER EQUITY SHARE (Rs.)			
-before extraordinary items		(15.65)	(10.53)
-after extraordinary items		(15.90)	(10.72)
(Refer note no. 19 of part B of Schedule M)			
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS			
	M		
Sd/-	Sd/-	Sd/-	Sd/-
(SUBODH GUPTA)	Praveen Kumar Pandey	J.K Jain	Gopal Das Aggarwal
Partner	Company Secretary	Whole Time Director	Whole Time Director
M.No.- 087099			

Place: NOIDA
Date: 27/11/2009



Shri Gang Industries and Allied Products Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2009 Rs.	As at 30.06.2008 Rs.
SCHEDULE - A: SHARE CAPITAL		
AUTHORISED		
8,500,000 (previous year 8,500,000) Equity Shares of Rs. 10/- each .	<u>85000000</u>	<u>85000000</u>
ISSUED, SUBSCRIBED & PAID UP		
7,930,000 (previous year 7,930,000) Equity Shares of Rs 10/- each, fully paid up	<u>79300000</u>	<u>79300000</u>
	<u>79300000</u>	<u>79300000</u>
SCHEDULE - B : RESERVES & SURPLUS		
CAPITAL RESERVE		
Balance as per last account	81000	81000
GENERAL RESERVE		
Balance as per last account	22000000	22000000
	<u>22081000</u>	<u>22081000</u>



Shri Gang Industries and Allied Products Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2009		As at 30.06.2008
	Rs.		Rs.
SCHEDULE -C : LOAN FUNDS			
SECURED LOANS			
From Financial Institutions			
1. PICUP	44600,000		44600,000
- Interest free loan in lieu of Trade Tax deferred			
- Secured by way of third charge on the entire immovable and movable properties of the Company. (Refer Note No.4 of part B of Schedule M)			
From Banks			
2. Working Capital Loans	47966929		78763527
i) Secured by way of hypothecation of raw materials stores & spares, stock in process, finished products and Book Debts.			
ii) Secured by way of First Charge on immovable and movable properties of the Company situated at A-26, UPSIDC Industrial Area, Sikandrabad on pari passu basis with the Department of Commercial Tax, Government of Uttar Pradesh			
iii) Further secured under personal guarantee of One director and five Ex-directors of the company			
UNSECURED LOANS			
- From Body Corporate & Others	37000000		14500000
DEFERRED PAYMENTS			
1. Trade Tax/State Development Tax/ Turnover Tax/VAT Deferred by the Government of U.P. (Secured by way of First Charge on the immovable properties of the Company situated at A-26, UPSIDC Industrial Area, Sikandrabad, on Pari Pasu basis with Punjab National Bank)	275,188,507	229299492	
2. Power Charges Deferred by the Government of U.P. (Refer Note No.4 of part B of Schedule M)	82765077	357953584	118283101
			347582593
		487520513	485446120

SCHEDULE - D : Fixed Assets

Sl No.	Description	Gross Block				Depreciation				Net Block	
		Op. Balance as on 01.07.2008	Additions during the year	Deductions during the year	Cl. Balance as on 30.06.2009	Op. Balance as on 01.07.2008	Dep for the year	Deductions during the year	Cl. Balance as on 30.06.2009	W.D.V. as on 30.06.2009	W.D.V. as on 30.06.2008
1	Leasehold Land	2857874	-	-	2857874	-	-	-	-	2857874	2857874
2	Building	41334183	2733041	-	44067224	19655737	1242091	-	20897828	23169396	21678446
3	Plant & Machinery	135318089	12990228	-	148308317	114227672	7182537	-	121410209	26898108	21090417
4	Electrical Installtion	6092266	-	-	6092266	5493775	321672	-	5815447	276819	598491
5	Water Supply System	1992100	-	-	1992100	1992100	-	-	1992100	-	-
6	Furniture & Fixtures	3995674	-	-	3995674	3559088	251757	-	3810845	184829	436586
7	Vehicles	2397569	44203	-	2,441772	2397569	972	-	2398541	43231	-
8	Laboratory Equipments	879352	-	-	879352	723755	41769	-	765524	113828	155597
9	Other Equipments	7258037	1094086	-	8352123	5263894	394487	-	5658381	2693742	1994143
	Total	202125144	16861558	-	218986702	153313590	9435285	-	162748875	56237827	48811554
10	Capital Work in Progress		4275418		4275417						
	Grand Total	202125144	21136976	-	223262119	153313590	9435285	-	162748875	56237827	48811554
	TOTAL PREVIOUS YEAR	201650573	1491178	1016607	202125144	144931537	9307978	925,925	153313590	48811554	56719036





SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2009 Rs.	As at 30.06.2008 Rs.
SCHEDULE - E : INVESTMENTS (TRADE - AT COST)		
In Quoted Shares		
*5440 Equity Shares of Industrial Development Bank of India, fully paid up. *includes 2040 Bonus shares	442000	442000
	<u>442000</u>	<u>442000</u>
Aggregate Market Value of quoted investments is Rs.5.98 Lacs (Previous Year Rs. 3.51 Lacs)		
SCHEDULE - F : CURRENT ASSETS, LOANS & ADVANCES		
CURRENT ASSETS		
INVENTORIES (As Verified & Valued by Management)		
i) Loose Tools		21222
ii) Stock in Trade		
- Raw Material	32196323	4553904
- Packing Material	7179653	5755601
- Consumables	9433846	7955416
	48809822	59250058
iii) Stock in Process	9103695	23470637
iv) Finished Goods		
- Vanaspati	46340303	59471221
- By Products	1080550	1019345
	47420853	60490566
	<u>105334370</u>	<u>143232483</u>
CASH & BANK BALANCES		
i) Cash in Hand	538092	611908
ii) Balances with Scheduled Bank		
- in Current Accounts	296527	297277
- Cheques / Drafts in hand	1281907	5776994
	2116526	6686179
SUNDRY DEBTORS (Unsecured & Considered Good)		
Over Six Months	1452048	1455942
Less: Provision for Doubtful Debts	114234	1337814
	25089304	582636
Other Debts	26427118	873306
	<u>26427118</u>	<u>37961960</u>
	<u>26427118</u>	<u>38835266</u>
LOANS & ADVANCES		
(Unsecured and considered good unless otherwise stated)		
I) Advances recoverable in cash or in kind or for value to be received	8322094	13983644
ii) Balance with Excise Department	-	5847
iii) Custom Duty Deposit (Under Protest)	-	835706
iv) Securities & other deposits (including Rs.20.03 lacs (P/Y Rs.20.03 lacs) paid under protest)	5167213	7193685
v) Income Tax / T.D.S.	505	505
vi) Interest Receivable	432189	1166984
vii) Others		
- Staff Loans & Imprest	817713	920215
- Insurance Claim receivable	1500418	758810
	2318131	1679025
	<u>16240132</u>	<u>24865396</u>



Shri Gang Industries and Allied Products Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

As at 30.06.2009

As at 30.06.2008

Rs.

Rs.

SCHEDULE - G : CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors				
- Raw Material Suppliers	147329927		79033391	
- Others	11915283	159245210	9,839849	88873240
(Refer note No 16 of Part B of Schedule M for SSI units)				

Advances from Customers	5419796			6247848
Security Deposits	9109000			9104000
Other Liabilities	11854860			8513702
	<u>185628866</u>			<u>112738790</u>

PROVISIONS

Provision for Retirement Benefits	1163525			1193392
Provision for Fringe Benefit Tax (Net of advance paid)	268043			332665
Provision for Sales Tax	-			562500
	<u>1431568</u>			<u>2088557</u>

SCHEDULE - H : OTHER INCOME

Interest received (Gross, TDS Rs Nil, P.Y. Rs.Nil)	-			350
Income from cancellation of Bargains	930040			2338097
Cash Discount	611664			731850
Discount on DEPB	-			119030
Dividends	10880			8160
Profit on sale of assets	-			1009318
Debts, no longer considered as payable (net of debit balance written off)	436382			815549
Others	1173829			819467
	<u>3162795</u>			<u>5841821</u>

SCHEDULE-I : INCREASE/(DECREASE) IN STOCKS

Opening Stock				
Finished Products	59471221		35784021	
Stock in process	23470637		36250599	
By Products	1019345	83961203	957214	72991834
Closing Stock				
Finished Goods	46340303		59471221	
Stock in Process	9103695		23470637	
By Products	1080550	56524548	1019345	83961203
		<u>(27436655)</u>		<u>10969369</u>



Shri Gang Industries and Allied Products Limited

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2009		As at 30.06.2008	
	Rs.		Rs.	
SCHEDULE - J: RAW MATERIAL CONSUMED				
RAW OIL				
Opening Stock	45539041		19120293	
Add : Purchases (Inclusive of in transit, custom duty clearing charges and freight)	1468235780		1679410431	
	<u>1513774821</u>		<u>1698530724</u>	
Less : Closing Stock	<u>32196323</u>	<u>1481578498</u>	<u>45539041</u>	<u>1652991683</u>
CONSUMABLES				
Packing	108709528		90946960	
Chemicals	10642720		10136042	
Fuel	42394124		42638394	
Others	<u>6801980</u>	<u>168548352</u>	<u>5624345</u>	<u>149345741</u>
		<u><u>1650126850</u></u>		<u><u>1802337424</u></u>

Shri Gang Industries and Allied Products Limited



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2009		As at 30.06.2008	
	Rs.		Rs.	
SCHEDULE- K : MANUFACTURING, ADMINISTRATIVE AND OTHER OVERHEADS				
MANUFACTURING EXPENSES				
Rates & Taxes	260076		162931	
Repair & Maintenance				
- Plant & Machinery	5372730		4696030	
- Electricals	549150		728383	
Electricity & Water Charges	16614916		17598800	
Excise Duty	-		-	
Others	598277	23395149	633931	23820075
ESTABLISHMENT EXPENSES				
Salaries, Wages & Bonus	29159988		27697025	
Staff Welfare Expenses	2672626		2196026	
Contribution to P. F. & Other Funds	3163927		3108872	
Security Expenses	880618	35877159	797250	33799173
ADMINISTRATIVE AND OTHER EXPENSES				
Rent	287231		295140	
Telephone & Postage	1016003		928530	
Legal, Professional & Consultancy	1676381		2650152	
Printing & Stationery	632515		361005	
Conveyance & Vehicle Maintenance	1941033		1965021	
Insurance	532439		314921	
Tours & Travelling	731384		898461	
Repairs & Maintenance	2061079		1024315	
Charity & Donation	501		9421	
Business Promotion	64581		166363	
Advertisement & Publicity	113637		205347	
Trade / Sales /Turnover Taxes	-		27187500	
Freight Outward	31900089		20988203	
Brokerage & Commission	4256443		3127109	
Rebate & Incentives	3199126		1808713	
Handling Charges	4631514		5797509	
Auditor's Remuneration	262750		337976	
Others	931461	54238167	990154	69055840
		113510475		126675088
SCHEDULE - L : FINANCIAL CHARGES				
Interest on:				
Working Capital Loan		3902337		5057157
Other Interest		1896648		1051564
Bank Charges		1802885		1867490
		7601870		7976211



Shri Gang Industries and Allied Products Limited

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2009.

SCHEDULE - M: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. RECOGNITION OF INCOME AND EXPENDITURE:

- A. The accounts are made on historical cost convention on going concern basis and Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred in accordance with the generally accepted accounting principles, applicable accounting standard notified under the companies accounting Standards Rules, 2006 and the provision of the Companies Act,1956.
- B. The liability towards excise duty on the manufactured goods is accounted for at the time of clearance of the goods from the factory when the same is actually accrued. This has, however, no substantial impact on the operating results of the Company.

2. EMPLOYEES BENEFITS :

- A. Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- B. Gratuity is a defined benefit obligation. Liability in respect of gratuity is being paid to fund maintained by LIC of India and administered through a separated irrevocable trust set up by the company. Difference between the fund balance and accrued liability at the end of the year based on actuarial valuation is charged to the P& L A/c
- C. Long term compensated balances in the form of leave encashment are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- D. Actuarial gains/losses are debited to profit and loss account and are not deferred.

3. FIXED ASSETS:

- A. Fixed Assets are stated at cost, less accumulated depreciation (other than 'Leasehold Land', where no amortization is made)
- B. In respect of Finance lease effective from 1.4.2001, the asset is capitalized with corresponding present value. The Lease payments are segregated in to interest, charge off to revenue and principal amount adjusted against lease liability. In case of operating lease its lease rental are charged off to profit and loss account.
- C. Assets acquired under Hire Purchase agreement are capitalised and the outstanding principal is shown as creditors for Hire Purchase.

4. METHOD OF DEPRECIATION AND AMORTIZATION:

- A.
 - (i) Depreciation on Fixed Assets is provided at the relevant rates of depreciation in respect of Straight line method as specified in Schedule XIV to the Companies' Act, 1956;
 - (ii) In view of the amendment in Schedule XIV, depreciation on assets costing upto Rs.5000/- are depreciated at the rate of 100% on pro-rata basis except those which constitute more than 10% of the total actual cost of Plant and Machinery on which the applicable rate to such Plant and Machinery is charged.
- B. Depreciation on additions to assets or on sale/ discard of assets, is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment as the case may be.
- C. No amounts are written off against Leasehold Land by way of amortization.



Shri Gang Industries and Allied Products Limited

5. INVESTMENTS :

Investments are stated at cost or at book value, which is arrived at after addition thereto Income accrued, wherever applicable. Any diminution of permanent nature in the value of investment is charged to revenue.

6. VALUATION OF INVENTORIES:

Type of Inventory	Method of Valuation
Raw Material, Packing Material. & Consumables	: At Cost
Finished Goods (Including Goods in Transit)	: At Cost or net realisable Value whichever is lower.
Stock in Process	: At Cost
By Products	: At net realisable value
Loose Tools	: At cost and charged off when discarded

In the above, cost is arrived at by weighted average cost method and in case of Finished Goods and Stock in Process it also includes manufacturing and establishment overheads, applicable taxes, interest on working capital and depreciation relating to units of production.

7. RESEARCH AND DEVELOPMENT:

Revenue expenditure including overheads on Research and Development is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure, which results in the creation of capital assets, is taken to Fixed Assets and depreciation is provided on such assets as are depreciable.

8. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS:

In the case of expansion, all expenditure, directly related to the expansion including interest on borrowings for the project, incurred upto the date of installation, are capitalised and added pro-rata to the cost of factory buildings and plant and machinery relating thereto.

9. INCOME TAX

Provision for current Income Tax is made on the basis of estimated taxable income. The company provides for deferred tax liability (after netting off deferred tax assets), based on the tax effect of timing difference resulting from the recognition of items in the financial statements. Deferred tax assets (after, netting of deferred tax liabilities), are generally not recognised unless there is strong circumstances exists for its adjustment / realisation in near future.

10. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction. Current Assets and Current Liabilities are translated at using the year-end exchange rate. Exchange gains and losses are duly recognised in the Profit and Loss Account.

11. PROVISIONS AND CONTINGENCIES:

A Provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

12. IMPAIRMENT OF ASSETS:

Consideration is given by the management of the company at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of assets. If any indication exists, impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment losses recognised in prior years is recorded when there is indication that the impairment losses for the assets are no longer exist.



Shri Gang Industries and Allied Products Limited

B. NOTES TO THE ACCOUNTS:

1. Contingent Liabilities not provided for:
 - A. Rs. 0.16 Lacs (Previous year Rs. 0.16 Lacs) on account of payment made to Trade Tax authorities, pending final assessment.
2. The company had made reference to Board for Industrial and Financial Reconstruction (BIFR), under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, due to complete erosion of its net worth as on 30th June 2000. The company was thereafter declared a Sick company by BIFR vide its order-dated 28.5.2001.
3. As per the rehabilitation scheme sanctioned by BIFR, Punjab National Bank (PNB) has agreed to charge interest at the prime lending rate (PLR) with effect from 1.7.2001. However, PNB shall have a right to recompense for the losses / sacrifice undertaken by it and enhance the rate of interest, if in its opinion the profitability of the company or its cash flow so warrants.
4. In accordance with the Rehabilitation Scheme sanctioned by BIFR, the Government of U. P. has deferred the Trade Tax / Compounding Tax / State Development Tax/ Turnover Tax amounting in aggregate to Rs. 3197.88 Lacs (P.Y. Rs. 2738.99 Lacs) and power charges amounting to Rs. 827.65 Lacs (P.Y. Rs. 1182.83 Lacs). During the year the company has repaid a sum of Rs.355.18 Lacs out of deferred power charges. A part of the amount of deferred Trade Tax amounting to Rs. 446.00 Lacs (P.Y. Rs 446.00 Lacs) has already been converted into interest free loan by PICUP during the year 2002-2003 out of which 206.25 Lacs is to be paid on 30.04.2012 and 239.25 Lacs is to be paid on 30.04.2013 as per the G.O. issued by Govt. Of U.P. Dated 04.11.2006. The rest of the deferred payment liability, as extended, on account of Trade Tax / Compounding Tax / State Development Tax and power charges being in the nature of deferred credit has been shown under the head Loan Fund in the accounts as per schedule 'C' to the notes of accounts.
5. In the opinion of the Directors and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet
6. Balances of sundry debtors, sundry creditors, loans & advances are subject to letters of confirmation from some of the parties. In the opinion of the Management, no major variation in these accounts is anticipated.
7. Fixed assets installed and put to use have been certified by the management & relied on by the auditors being a technical matter.
8. Particulars in respect of Capacities, Production, Stocks and Sales.

A. Manufacturing Operations:

Class of Goods	Installed Capacity	Opening Stock		Actual Production	Closing Stock		Sales	
		Qty.	Value	Qty.	Qty.	Value	Qty.	Value
		(M.T.)	(Rs. Lacs)	(M.T.)	(M.T.)	(Rs. Lacs)	(M.T.)	(Rs. Lacs)
Vanaspati & Refined Oil	49,500	960.755	594.71	37705.649	1091.425	463.40	37574.979	16534.01
Previous years' figures	49,500	669.465	357.84	32795.601	960.755	594.71	32487.205	18,132.29

- (i) Out of the total installed capacity of 49,500 MT per annum, the capacity to produce Vanaspati is only 37,500 MT per annum.
- (ii) The installed capacity and the date of installation of machinery is as per certificate given by the Company's technical expert and relied on by the auditors, being a technical matter.
- (iii) Capacities are expressed on the basis of triple shift working of the Factory.
- (iv) Sales quantity includes loss in transit/ theft/ samples of 6.678 M.T.(Previous year 17.105 M.T.).
- (v) The production quantity is net of quantity rejected and reprocessed.



Shri Gang Industries and Allied Products Limited

B. Trading Operation

Class of Goods	Opening Stock		Purchasing		Closing Stock		Sales	
	(M.T.)	Qty.	Value	Qty.	Qty.	Value	Qty.	Value
	(P.A.)	(M.T.)	(Rs. Lacs)	(M.T.)	(M.T.)	(Rs. Lacs)	(M.T.)	(Rs. Lacs)
Vanaspati	-	-	126	65.95	-	-	126	63.42
Previous Year's Figure	-	-	-	-	-	-	-	-

9. ANALYSIS OF MATERIAL CONSUMED:

Class of Goods		Unit	Current Year		Previous year	
			Quantity	Value (Rs. Lacs)	Quantity	Value (Rs. Lacs)
a)	Raw Oil	MT.	39437.875	14815.78	34319.060	16529.92
b)	Fuel	—		423.94		426.38
c)	Packing	—		1087.09		909.47
d)	Chemicals	—		106.42		101.36
e)	Others	—		68.01		56.24
	Total			16501.24		18023.37

10. Value of imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total Consumption:

Particulars	Current Year				Previous Year			
	Raw Material		Spare Parts & Components		Raw Material		Spare Parts & Components	
	Value (Rs. Lacs)	% to total consumption	Value (Rs. Lacs)	% to total consumption	Value (Rs. Lacs)	% to total consumption	Value (Rs. Lacs)	% to total consumption
Imported	9515.63	57.66%	-	-	10010.47	55.54%	-	-
Indigenous	5303.19	42.34%	-	-	8012.90	44.46%	-	-

11. Auditors Remuneration (including paid to concurrent auditors):

	Current Year (Rs.)	Previous Year (Rs.)
Statutory Audit Fee	1,40,000	1,25,000
Tax Audit Fee	50,000	10,000
Concurrent Audit Fees		51,944
Certification & Taxation Matters	50,000	1,17,000
Out of Pocket Expenses	3,180	17,346
Service Tax	19,570	16,686
Total	2,62,750	3,37,976



Shri Gang Industries and Allied Products Limited

12. Remuneration to Managing Director/ Whole Time Directors:

	Current Year (Rs.)	Previous Year (Rs.)
Salary	8,15,100	82,200
Perquisites/Other allowances	5,37,650	62,340
Contribution to Provident Fund	11,412	9864
Total	13,75,470	1,54,404

Note: Previous Year figure relates to two (previous year one) Managerial Personnel.

13. Expenditure in Foreign Currency

(Rs in Lacs)

Current Year	Previous Year
NIL	NIL

14. The value of Imports by the company on C.I.F. basis during the financial year is Rs. 8,064.19 Lacs (Previous Year Rs. 9,219.26 Lacs).

15. The indications listed in paragraph 8 to 10 of Accounting Standard 28 on Impairment of Assets, have been examined and on such examinations, it has been found that none of the indicators are, prima facie, present in the case of the company. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss, as per the management.

16. Company has sent communications to its creditors for identification of Micro, Small and Medium enterprises. On the basis of response, to the extent received, to such communication, the disclosures in respect to Micro, Small and Medium Enterprise Development Act, 2006 is as follows:

S.No	Particulars	2008-09	2007-08
i)	The Principal amount and the interest due thereon remaining unpaid to any supplier	—	—
ii)	Principal amount	—	—
iii)	Interest there on	—	—
iv)	The amount of interest pad by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payments made to the supplier beyond the appointed day.	—	—
v)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.)	—	—
vi)	The amount of interest accrued and remaining unpaid.	—	—
vii)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	—	—



17. The Disclosure required under Accounting Standard-15 "Employee Benefits" are given below:

Defined Contribution Plan

The amount recognised as an expense in defined contribution plan is as under:

Particular	Expenses recognised in 2008-09 (Amount Rs.)
Contributory Provided fund & Employee Pension scheme, 1995	23,19,483.00

i) Changes in the present value of the defined benefit obligation are as follows (Rs):

Particulars	Gratuity Funded	Leave Encashment un-funded
	2008-2009	2008-2009
Present Value of obligation as at 01.07.2007	8,097,157	11,93,392
Interest cost	6,47,773	89,504
Current service cost	5,61,804	1,36,664
Actual return on plan assets	8,42,990	N.A
Benefits paid	(3,71,840)	(4,96,555)
Actuarial (gain)/loss on obligation	14,74,396	1,98,103
Closing defined benefit obligation as at 30.06.09	10,409,290	11,21,108

(ii) Changes in the fair value of plan assets are as follows (Rs):

Particulars	Gratuity Funded	Leave Encashment un-funded
	2008-09	2008-2009
Opening fair value of plan assets	7,595,351	NIL
Expected return	8,42,990	N.A
Contributions by employer	2,385,206	NIL
Benefits paid	3,71,840	NIL
Actuarial gain/(losses)	Nil	NIL
Closing fair value of plan assets	10,451,707	NIL

iii) Net employee benefit expense debited to Profit & Loss account

Particulars	Gratuity Funded	Leave Encashment un-funded
	2008-09	2008-2009
Current service cost	5,61,804	1,36,664
Interest cost	6,47,773	89,504
Expected return on plan assets	8,42,990	N.A
Net Actuarial (gain) / loss	14,74,396	1,98,103
Net benefit expense	18,40,983	4,24,271
Actual return on plan assets	8,42,990	N.A

iv) Details of provision for Employees Benefits

Particulars	Gratuity Funded	Leave Encashment un-funded
	2008-09	2008-2009
Defined benefit obligation	42,417	1,121,108
Fair value of plan assets	10,451,707	
Less: Unrecognised past service cost	—	
Plan (Liability)/ Asset	—	



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(v) Actuarial Assumptions

Particulars	Gratuity Funded	Leave Encashment un-funded
	2008-09 (1994-96)	2008-2009 (1994-96)
Mortality table (LIC)		
Discount rate	8.00%	7.50%
Expected rate of return on plan assets	—	—
Rate of escalation in salary per annum	6.00%	5.00%
Employee turnover up to 30 years	3.00%	3.00%
Above 30years but up to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

19. Basic and Diluted Earning Per Share

The Basic and Diluted Earning per Share has been arrived as follows:

Particulars	2008-09	2007-08
Profit after extra-ordinary items		
Profit/ (Loss) for the year	(124103847)	(85014037)
Profit before extra-ordinary items		
Profit/ (Loss) for the year	(124103847)	(85014037)
Less: Prior period expenses	(2003121)	(1479905)
	(126106968)	(83534132)
No of weighted average equity shares - Basic	7930000	7930000
Nominal Value of Equity Shares Rs.	10	10
<u>BASIC & DILUTED EARNING PER SHARE (Rs.)</u>		
After extra-ordinary items	(15.90)	(10.72)
Before extra-ordinary items	(15.65)	(10.53)

20 Provision for Income Tax

- a. The provision for the current Income Tax is not considered necessary for the financial year 2008-2009 in view of the brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

b. Deferred Tax

Major components of Deferred Tax Assets (net) arising on account of timing difference are asunder:

	2008-09	2007-08
(Rupees in Lacs)		
<u>Deferred Tax Assets</u>		
i) Provision for Bonus & Leave Encashment	7.72	7.20
ii) Unabsorbed Depreciation as per IT Act	194.20	186.35
iii) Unabsorbed Business Loss	485.68	386.07
iv) Deferred Trade Tax	915.77	720.28
Total	1603.37	1299.89



Shri Gang Industries and Allied Products Limited

Deferred Tax Liabilities

i) Fixed Assets (WDV)	107.10	123.96
Total	107.10	123.96
Accumulated Deferred Tax Assets (Net)	1496.27	1175.93
Increase/ (decrease) in net Deferred Tax Asset for the year	320.34	310.68

c) Since the net effect of tax due to timing difference results in Net Deferred Tax Asset, as at the Sheet date, the same has not been recognised in the accounts on conservative basis.

d) Deferred tax has been calculated as on March 31st, 2009 by following the fiscal year, as the depreciation as per income tax and other allowances/losses are calculable only for fiscal year ending March 31st, 2009. However, it is expected that this method shall not affect substantially the deferred tax asset as calculated above.

21. Lease Transactions –

- a) Assets taken under operating lease
Certain offices/Residential premises are obtained on Operating lease. There is no contingent rent in the lease agreement. These agreements have been entered in the earlier Years for a period of one to three year and are renewable as per mutual agreement of both the parties. There is no escalation clause in lease agreement. There are no restrictions imposed by these arrangements. There are no Sub leases and all the leases are cancellable in nature

22. Related Party Disclosures

The information given below is only in respect of the transactions entered into by the company or any outstanding, during the year with the related parties.

A) Names of Related Parties and description of Relationship:

i) Key Managerial Personnel:

- | | |
|----------------------|--|
| a) Gopal Das Agrawal | Whole time Director |
| b) Rajesh Gupta | Chief Executive Officer (01-08-2008 to 29-12-2008)
Managing Director (w.e.f 30-12-2009) |
| c) Inder Mani Mittal | Director |
| d) Sanam Gambhir | Director |
| e) S.K.Jain | Director (Retired 30.04.2009) |

B). Transactions between related parties during the existence of related party relationship and balances outstanding as at the year-end in respect of transactions entered into during the year with the Related Parties:

	(Rs. in Lacs)			
	2008-09		2007-08	
	Associates Personnel	Key Managerial	Associates	Key Managerial
A Expenditure	—	—	—	—
a) Payments to and provisions for Managerial Personnel	—	13.84	—	1.54
B Income	—	—	—	—
C Balances of Assets and Liabilities	—	—	—	—

23 The company is primarily engaged in the business of Manufacturing of Vanaspati and Refined OIL. The Management has identified the above business as primary business segment and the same has been identified for the analysis and review of performance of the company.

24 Previous year figures have been regrouped/ restated wherever considered necessary to conform with the current year figures.

25 Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 as regards Balance Sheet abstract and general profile of the company is annexed separately.

Sd/-
Praveen Kumar Pandey
Company Secretary

Sd/-
J K Jain
Whole Time Director

Sd/-
Gopal Dass Aggarwal
Whole Time Director

Place : NOIDA

Dated : 27/11/2009



Shri Gang Industries and Allied Products Limited

17. INFORMATION PURSUANT TO PART IV OF SCHEDULE-VI OF COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		1	1	0	0	4
--	--	---	---	---	---	---

State Code

2	0
---	---

Balance Sheet Date

3	0
---	---

0	6
---	---

2	0	0	9
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands) Nil

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Rights Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousand)

Total Liabilities

			5	8	8	9	0	2
--	--	--	---	---	---	---	---	---

Total Assets

			5	8	8	9	0	2
--	--	--	---	---	---	---	---	---

Source of Funds
Paid-up Capital

			7	9	3	0	0
--	--	--	---	---	---	---	---

Reserve & Surplus

			2	2	0	8	1
--	--	--	---	---	---	---	---

Secured Loans

			9	2	5	6	7
--	--	--	---	---	---	---	---

Unsecured Loans

			3	9	4	9	5	5
--	--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

			5	6	2	3	8
--	--	--	---	---	---	---	---

Assets Under Disposal

				4	4	2
--	--	--	--	---	---	---

Net Current Assets

		(3	6	9	4	2)
--	--	---	---	---	---	---	---	---

Miscellaneous Expenditure

					N	I	L
--	--	--	--	--	---	---	---

Accumulated Losses

			5	6	4	8	8	9
--	--	--	---	---	---	---	---	---

Shri Gang Industries and Allied Products Limited



IV. Performance of the Company

Turnover

			1	6	6	3	4	9	6
--	--	--	---	---	---	---	---	---	---

Profit/(Loss) Before Tax

		(1	2	5	8	9	0)
--	--	---	---	---	---	---	---	---	---

Earning per Share in Rs.

		(1	5		9	0)
--	--	---	---	---	--	---	---	---

Total Expenditure

			1	7	8	7	3	8	3
--	--	--	---	---	---	---	---	---	---

Profit (Loss) After Tax

		(1	2	6	1	0	7)
--	--	---	---	---	---	---	---	---	---

Dividend Rate %

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

V. Generic Names of Three Principal Products/Services of Company

Vanaspati & Refind Oil

Item Code No. (I.T.C. Code)

			1	5	1	6	2	0
--	--	--	---	---	---	---	---	---

Product Description

V	a	n	a	s	p	a	t	i
---	---	---	---	---	---	---	---	---

Item Code No.

		1	5	1	6	2	0	0	9
--	--	---	---	---	---	---	---	---	---

Product Description

R	e	f	i	n	e	d	O	i	l
---	---	---	---	---	---	---	---	---	---

Sd/-

(SUBODH GUPTA)
Partner

Sd/-

Praveen Kumar Pandey
Company Secretary

Sd/-

J.K Jain
Whole Times Director

Sd/-

Gopal Das Aggarwal
Whole Time Director

Place : NOIDA

Date : 27/11/2009



Shri Gang Industries and Allied Products Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 30ST JUNE 2009

(Rs. in lacs)

	2008-2009	2007-2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra ordinary items	(125889862)	(84726519)
Adjustment for:		
- Depreciation	9435285.00	9307977.00
- Interest Paid	7601870.00	7976211.00
- Interest Received	-	(350.00)
- Fixed Assets Written off	-	-
- Profit on sale of fixed assets	-	(1009318.00)
- Miscellaneous Expenses Written off	-	-
- Provision for Leave Encashment reversed under transitional provision (AS 15)	-	430375.00
- Prior Period Adjustment	(2003121.00)	15224990
Operating Profit before Working Capital Changes	(110855828)	(69501529)
Adjustment for:		
- Inventories	37898113.00	(40289620.00)
- Trade & Other Receivables	21033411.99	(8863178.00)
- Trade Payables & Other Liabilities	72233087.00	33482363.00
Cash Generated from Operations	20308784	(85171964)
Less : Interest Paid	(7601870.00)	(7976211.00)
Direct Taxes	(217106.00)	(287518.00)
Cash Flow before Extraordinary Items	12489808	(93435693)
Extraordinary Items		
- Prior Period Adjustment	2003121	1479905
Net Cash from Operating Activities.....A	14492929	(91955788)
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets (net of sales)	(21136976)	(391177)
- Sale of Investments	-	-
- Interest Received	-	350
Net Cash from Investing Activities.....B	(21136976)	(390827)
C) CASH FLOW FROM FINANCING ACTIVITIES		
i) Increase in Share Capital	-	-
ii) Borrowings (Net)	32870991	78344175
iii) Increase in Working Capital Loan	(30796598)	12215086
Net Cash from Financing Activities.....C	2074393	90559261
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(4,569,654)	(1787354)
Opening Cash & Cash Equivalents	6686179	8473533
Closing Cash & Cash Equivalents	2116525	6686179

Notes : i) Figures in brackets represent outflows.

ii) Cash & Cash Equivalent do not include lian marked fixed deposits as the same are not readily convertible into cash. ii) Cash & Cash Equivalents do not include Fixed Deposits pledged with Bank and accrued interest thereon as the same are not readily convertible into cash

For TAS ASSOCIATES

Chartered Accountants

Sd/-

(SUBODH GUPTA)

Partner

M.No.- 087099

Place : NOIDA

Date : 27/11/2009

Sd/-

Praveen Kumar Panday

Company Secretary

Sd/-

J.K Jain

Whole Time Director

Sd/-

Gopal Das Aggarwal

Whole Time Director



Shri Gang Industries and Allied Products Limited

SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

Registered Office : A-26, UPSIDC Industrial Area,
Sikandrabad, Distt. Bulandshahr (U.P.)

PROXY FORM

Reg. Folio No.
I/We
of
being member / members of the above named company hereby appoint
of or failing him
our proxy to vote for my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the
Company to held at
on the day 2009 at
and at any adjournment thereof.

Affix 100
paise
revenue
stamp

Date :

.....
Signature of the Members

Note : proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

----- Tear Here -----

SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

Attendance Slip

To be handed over at the entrance of the Meeting Hall

Name of the Attending Member (in Block Letters)	Member's Account Number / Registered Folio
Name of the proxy (in block letters) To be filled in if the Proxy attends Instead of the Members	

No. of Shares held

I hereby record my presence
at the TWENTIETH ANNUAL GENERAL
MEETING at

.....
Member's/proxy's Signature
(To be signed at the time of
handing over this slip)

Note : The copy of the Annual Report may please be brought to the Meeting Hall.

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