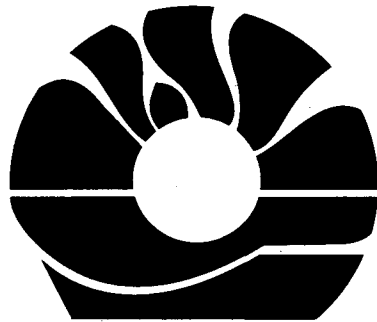


**SHRI GANG INDUSTRIES AND  
ALLIED PRODUCTS LIMITED**



21ST  
ANNUAL REPORT  
2009-2010

## BOARD OF DIRECTORS

**Chairman**  
Shri J.K.Jain

**Whole Time Director**  
Shri Gopal Das Aggarwal

**Directors**  
Shri Rajesh Kumar Gupta  
Shri Gyan Chand Jain  
Shri Narender Singh

**Bankers**  
Punjab National Bank  
HDFC BANK

### **Auditors**

M/s Tas Associates,  
Chartered Accountants  
11/71, Punjabi Bagh (West)  
New Delhi - 110 026

### **Registered Office**

A-26, UPSIDC Industrial  
Area, Sikandrabad,  
Distt. Bulandshahr - -203 205 (U.P.)

### **Share Transfer Agent**

Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3<sup>rd</sup> Floor, 99, Madangir,  
New Delhi - 110 062

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**NOTICE**

Notice is hereby given that the Twenty First Annual General Meeting of the Members of **Shri Gang Industries & Allied Products Limited** will be held on Monday the 27th day of December, 2010 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 businesses:-

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2010 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 Gopal Das Aggarwal, who retires by rotation and being eligible offer himself for re-appointment.
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 Rajesh Kumar Gupta 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 with or without modifications, the following resolution as an Ordinary Resolution :  
"Resolved that Shri Gyan Chand 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."
6. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :  
"Resolved that Shri Narender Singh 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."
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an Special 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 re-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 of one year from the date of conclusion of the twenty first Annual General Meeting on a total monthly remuneration of Rs. 50,250/- per month as approved by the Remuneration Committee as set out in the explanatory statement to this resolution.

Resolved further that where in any financial year closing on and/after 1st April, 2010 the company has no profits or its profits are inadequate the company may pay Shri J K Jain by way of salary, perquisite and other allowances as 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 no remuneration shall be paid to Shri J K Jain, Whole Time Director till the effective capital of company become positive.

## **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

Resolved further that the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.”

**8. To consider and if thought fit, to pass with or without modifications, the following resolutions as a Special 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 re-appointment of Shri Gopal Das 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 twenty first Annual General Meeting on a total monthly remuneration of Rs. 15,000/- per month as approved by the Remuneration Committee as set out in the explanatory statement to this resolution.

Resolved further that where in any financial year closing on and/after 1st April, 2010 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 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 no remuneration shall be paid to Shri Gopal Das Aggarwal, Whole Time Director till the effective capital of company become positive.

Resolved further that the Board of Directors of the company be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.”

**9. To consider, and if thought fit, to pass with or without modifications, the following resolutions as a special resolution:**

“RESOLVED THAT pursuant to the provisions of Section 17 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and as may be enacted from time to time, the Memorandum of Association of the Company be and is hereby altered and extended by inserting the following sub-clauses as new sub-clauses no. 57, 58, 59 and 60 after the existing sub-clause 56 of Clause III (C) of the Memorandum of Association of the Company.

“57. To provide consultancy services to the industries in India and abroad for hiring and training personnel and advices/services in various fields like Finance, Management, Investment Project, Capital Market, Marketing and market Search, Corporate Matters, Accountancy, Business Commercial Economic, Industrial Matters including taxation law, Data Processing and Quality control.

58. To assist in getting finance and entering into joint venture transactions for industries, industrial house exporters, manufacture and traders and to act as a facilitators for arranging the finance and loan.

59. To prepare, complete schemes, drawings plan estimates and layout of plants and machinery and assist in establishment of such concerns an also to act as consultants for public, Government or semi Government authorities and to give advice to plan, buy, sell import and export to both Indian and foreign clients dealing in all or any kinds of manufactured goods and services.

60. To supervise and organize public issue related work and to render all types of consultancy assistance and Indian work for Bank Finance, Portfolio management and other activities relating to financial planning and accounting.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take necessary steps to obtain confirmation of the Registrar of Companies, Uttar Pradesh and Uttaranchal under Section 18(1) of the Companies Act, 1956 in respect of the aforesaid alteration of Clause III (C) of the Memorandum of Association and to agree to such modifications, terms & conditions in the new proposed sub clauses as may be directed by the Registrar of Companies and to modify the same accordingly.

FURTHER RESOLVED THAT in the event of any statutory amendment, modification or relaxation by the Central Government in any law affecting the proposed alteration in the Memorandum of Association, the Board of Directors be and is hereby authorized to act within such modified, amended or relaxed provisions

of law to give effect to the proposed alteration without any further reference to the Company in the general meeting.”

**10. To consider, and if thought fit, to pass with or without modifications, the following resolutions as a special resolution:**

“RESOLVED THAT pursuant to Section 149 (2A) and all other applicable provisions, if any, of the Companies Act, 1956 approval of the members be and is hereby accorded to the Board of Directors for commencing and undertaking all of any of the business as and when deemed fit by the Board of Directors specified in the existing sub-clauses 2, 24, 31, 33, 36, 55, 57, 58, 59, and 60 of Clause III (C) other Objects of the Memorandum of Association of the Company namely:

- “2. To carry on business as importers and exporters of goods of merchandise of any description or to act as shippers, commission agents, advertising agents, travelling agents, transport agents, forwarding and clearing agents, brokers, estate agents and hardware merchants.
24. To buy, sell, deal in shares and securities, foreign exchange gold, silver, cotton, jute, hessian, oil, oil-seeds and hold them as permitted under the law, from time to time, In force.
31. To acquire and hold shares, stocks, debentures, debentures stock, bonds, obligations and securities issued or guaranteed by any company constituted or carrying on business in the Republic of India or elsewhere, any debentures, debentures stock, bonds, obligations and securities, issued or guaranteed by any government, sovereign-ruler, commissioners, public body or authority, supreme and municipal local or otherwise , whether at home or abroad, to acquire any such shares, stocks, debentures, debentures stocks, obligation or securities by original subscription, tender, purchase, exchange or otherwise and subscribes for the same either conditionally or otherwise and to guarantee the subscription thereof and to exercise and enforce all rights and power conferred by or incidental to the ownership thereof, to issue shares, debentures stocks, bonds, obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, with full power to make the same transferable by delivery or by instrument of transfer or otherwise and either perpetual or terminable and either redeemable or otherwise and to charge or secure the same by trust deed or otherwise on the undertaking of the Company, or upon any specific property and rights, present and future of the company (including , if thought fit, uncalled capital) or otherwise however; to export, import, buy, sell, barter, exchange, pledge, make advance upon, invest in and otherwise dela in gold, Silver, bullion, stocks, shares, securities of all kinds and description.
33. To carry on the profession of consultants on management, employment, engineering industry and technical matters to industry and business and to act as employment agents.
36. To undertake and transact all kinds of agency business and to carry on and promote any business, commercials or otherwise, under sound principles and or to act as distributors, agents, underwriters, broker, estate agents, middlemen, contract man, representation and indenting agents on commission, allowance, as may be deemed fit in all commodities, merchandise and such other allied articles/ lines of business.
55. To carry on the business of brewers, distillers, liquor manufacturers and to distil, brew and manufacture and deal in all kinds of beer, wine, liquors, spirits and other alcoholic products for human consumption, industrial and commercial use.
57. To provide consultancy services to the industries in India and abroad for hiring and training personnel and advices/services in various fields like Finance, Management, Investment Project, Capital Market, Marketing and market Search, Corporate Matters, Accountancy, Business Commercial Economic, Industrial Matters including taxation law, Data Processing and Quality control.
58. To assist in getting finance and entering into joint venture transactions for industries, industrial house exporters, manufacture and traders and to act as a facilitators for arranging the finance and loan.
59. To prepare, complete schemes, drawings plan estimates and layout of plants and machinery and assist in establishment of such concerns an also to act as consultants for public, Government or semi Government authorities and to give advice to plan, buy, sell import and export to both Indian

## **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

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and foreign clients dealing in all or any kinds of manufactured goods and services.

60. To supervise and organize public issue related work and to render all types of consultancy assistance and Indian work for Bank Finance, Portfolio management and other activities relating to financial planning and accounting.”

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorized to do all acts, deeds, things and matters as may be necessary thereto to give effect to the aforesaid resolutions.”

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

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Place : New Delhi  
Date : 26.11.2010

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

### **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 9 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 20<sup>th</sup> December, 2010 till Monday 27<sup>th</sup> December, 2010 (both days inclusive).
4. Members are requested to bring their copy of Annual Accounts at the meeting.
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 Rajesh Kumar Gupta 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 Rajesh Kumar Gupta 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 Rajesh Kumar Gupta is interested in the resolution.

**ITEM NO. 5**

The Board of Directors appointed Shri Gyan Chand 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 G.C. Jain for the office of Director.

Your Directors recommend the resolution set out at item no. 5 for your approval.

None of the Directors except Shri Gyan Chand Jain is interested in the resolution.

**ITEM NO. 6**

The Board of Directors appointed Shri Narender Singh 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 Narender Singh for the office of Director.

Your Directors recommend the resolution set out at item no. 6 for your approval.

None of the Directors except Shri Narender Singh is interested in the resolution.

**ITEM NO.7**

Shri J.K.Jain was appointed as Whole Time Director of the Company by the members at its last Annual General Meeting. His term as Whole Time Director will expire at this ensuing Annual General Meeting. Your Board has recommended his Re-appointment as Whole Time Director of the company for the period of one year with effect from December 27, 2010 being the date of ensuing Annual General Meeting. The appointment of Shri J.K.Jain as Whole Time Director is as per Section 198, 269, 309 and 310 read with schedule XIII of the Companies Act, 1956 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/- per month
Travel for official work	as per rules of the company

At present the effective capital of the Company is negative and no remuneration shall be paid to Shri J K Jain till the effective capital of the company becomes positive.

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.

**ITEM NO.8**

Shri Gopal Das Aggarwal was re-appointed as Whole Time Director of the Company by the members at its last

## **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

Annual General Meeting. His term as Whole Time Director will expire at this ensuing Annual General Meeting. Your Board has recommended his re-appointment as Whole Time Director of the company for the period of one year with effect from December 27, 2010 being the date of ensuing Annual General Meeting. The appointment of Shri Gopal Das Aggarwal as Whole Time Director is as per Section 198, 269, 309 and 310 read with schedule XIII of the Companies Act, 1956 and further subject to the approval of members in the General Meeting. The details of remuneration to be paid to Shri Gopal Das Aggarwal are mentioned 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

At present the effective capital of the Company is negative and no remuneration shall be paid to Shri Gopal Das Aggarwal till the effective capital of the company becomes positive.

Your Directors recommend the resolution set out at Item No. 8 for your approval.

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

### **ITEM NO.9**

The Board of Directors at its meeting held on November 26, 2010 unanimously decided to start the new business related to rendering services into the area of consultancy in portfolio management, Bank finance and other activities related to financial planning etc.. For this purpose it is necessary to alter the Memorandum of Association by inserting new sub Clauses 57, 58, 59, 60 and 61 relating to proposed new activities in Clause III of other objects of the Memorandum of Association asset out in the resolution.

Your Directors recommend the resolutions set out at item no. 9 for your approval.

None of Directors is anyway interested/concerned in the resolution.

### **ITEM No.10**

As per the provisions of 149 (2A) of the Companies Act, 1956, approval of the members in general meeting through special resolution is required for commencement of business stated in other objects of the Memorandum of Association. Your Company proposes to start business as set out in the item no. 9 of the notice calling the AGM for the matter mentioned in sub-clauses 2, 24, 31, 33, 36, 55, 57, 58, 59 and 60 of Clause III(C) of other object clause of the Memorandum of Association.

Your Directors recommend the resolutions set out at item no. 10 for your approval.

None of Directors is anyway interested/concerned in the resolution.

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

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Place : New Delhi  
Date : 26.11.2010

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



**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

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

Shri Gopal Das Aggarwal is Graduate. He has over 24 years of rich experience in the industry, commerce & business. He is associated with the company since last 10 years and is seeking re-election as Whole Time Director. He is director and member of committees of the following companies:

<b>Other Directorship</b>	<b>Membership of the Committee</b>
<b>Name of the Company</b>	<b>Name of the Committee</b>
None	Shri Gang Industries and Allied Products Ltd. Management Committee - Member Audit Committee - Chairman

**Shri J.K.Jain** has done graduation in Commerce and over 45 years of rich experience in Industry, Commerce and Business and proposed to be appointed as Managing Director and Chairman of the company. He is director and member of committees of the following companies:

<b>Other Directorship</b>	<b>Membership of the Committee</b>
<b>Name of the Company</b>	<b>Name of the Committee</b>
Suraj Industries Limited, Director Yonker Infotech Private Limited, Director Jain Motors Finance & Leasing Private Limited, Director Mohan Meakin Limited, - Director	1) Shri Gang Industries & Allied Products Ltd - Management Committee - Chairman 2) Mohan Meakin Limited Audit Committee - Member Investor Grievance Committee - Member

**Shri Gyan Chand Jain** has over 25 years of rich experience in Industry, Commerce and Business and was appointed as additional Director of the company w.e.f. 01.01.2010 to hold the office upto the date of ensuing Annual General Meeting and seeking his re-appointment as regular director of the company. He is director and member of committees of the following companies:

<b>Other Directorship</b>	<b>Membership of the Committee</b>
<b>Name of the Company</b>	<b>Name of the Committee</b>
Greater Noida Info systems Private Limited, Director	Shri Gang Industries & Allied Products Ltd - Audit Committee - Member Investor Grievance Committee - Member Remuneration Committee - Member

**Shri Rajesh Kumar Gupta** is a Accountant by profession and has over 15 years of experience in said area, Shri Rajesh Kumar Gupta was appointed as additional Director of the company w.e.f. 01.01.2010 to hold the office upto the date of ensuing Annual General Meeting and seeking his re-appointment as regular director of the company. He is director and member of committees of the following companies:

<b>Other Directorship</b>	<b>Membership of the Committee</b>
<b>Name of the Company</b>	<b>Name of the Committee</b>
None	Shri Gang Industries & Allied Products Ltd - Audit Committee - Member Investor Grievance Committee - Chairman Remuneration Committee - Member

**Shri Narender Singh** has over 6 years of rich experience in Industry, Commerce and Business and was appointed as additional Director of the company w.e.f. 13.03.2010 to hold the office upto the date of ensuing Annual General Meeting and seeking his re-appointment as regular director of the company. He is director and member of committees of the following companies-

<b>Other Directorship</b>	<b>Membership of the Committee</b>
<b>Name of the Company</b>	<b>Name of the Committee</b>
ESS ARR Finex Limited , Director	Shri Gang Industries & Allied Products Ltd - Remuneration Committee - Member

**DIRECTORS' REPORT****To the Members,**

Your directors hereby present their Twenty First Annual Report along with the Audited Statements of Account for the year ended June 30, 2010.

**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, 2010	Year ended June 30, 2009
Sales	8066.69	16877.69
Profit before Financial Charges & Depreciation	(583.55)	(1068.49)
Financial Charges	42.84	76.01
Depreciation	51.51	94.35
<b>Extra Ordinary Expenses :</b>		
Prior period Expenses	—	20.03
Net Profit/(Loss) before Tax	(677.91)	(1258.90)
Income Tax (Fringe Benefit Tax)	—	(2.17)
Net Profit (Loss) for the year	(677.91)	(1261.06)
<b>APPROPRIATIONS</b>		
Dividend	—	—
Transfer to General Reserve	—	—
Provision for Leave Encashment reversed under transitional provision as per AS 15		—
Loss brought forward	(5648.90)	(4387.82)
Transfer from Investment allowance reserves		
Balance in profit & Loss Account carried to Balance sheet	(6326.81)	(5648.88)

**DIVIDEND**

In view of Company's Financial Position, the Directors are unable to recommend any dividend. The company's shares are listed at Mumbai.

**OPERATIONS**

During the year under review the company has incurred a loss of Rs 677.91 Lacs. Huge capacity plants near ports, having logistic advantages & economies of scale has made plants in hinterland unviable and uncompatative. This has affected the operations of yours company.

**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 Gopal Das Aggarwal, Director retire by rotation and being eligible offer himself for re-appointment. Further the Board has recommended the reappointment of Shri Gopal Das Aggarwal as Whole Time Director.

During the year Shri Rajesh Kumar Gupta and Shri Gyan Chand Jain was appointed as an additional director w.e.f. 01.01.2010 and Shri Narender Singh was appointed as an additional Director w.e.f. 13.03.2010 respectively. The Board recommend their appointment as Directors of the Company.

Shri Inder Mani Mittal and Shri Sanam Gambhir have resigned from the post of the Directors with effect from 01.01.2010. The Board places on record its deep appreciation for the valuable guidance provided by them during their tenure on the Board of the Company.

The Board has recommended the appointment of Shri J K Jain as Whole Time Director

Your company has taken sufficient steps to appoint the Company Secretary but the position could not be filled as the Company is registered with BIFR as sick industrial company and production has been suspended on account of Non availability of orders as compared to the Production capacity. Therefore candidates interviewed have not shown their interest to join the Company. However your Company is taking the services of the practising Company Secretary to look after the Compliances of the Companies Act, 1956

#### **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 2009-10 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. As on date the Audit Committee comprises of the following Directors:

1. Shri Gopal Das Aggarwal
2. Shri Rajesh Kumar Gupta
3. Shri Gyan Chand Jain

*Shri Rajesh Kumar Gupta & Shri Gyan Chand Jain has been nominated as member of Audit Committee with effect from 01.01.2010 in place of Shri Inder Mani Mital & Shri Sanam Gambhir who have resigned as Director of the Company.*

This committee has reviewed the Accounts for the year ended June 30, 2010.

#### **CORPORATE GOVERNANCE**

Your Company 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.

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 Auditors of the Company 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.

## **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

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### **AUDIT REPORT**

The Auditor's reports are self-explanatory and do not require any comments from the Board of Directors.

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

The information as regards conservation of energy, technology and outgo required u/s 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto as per annexure and forms an integral part of the report.

### **PARTICULARS OF EMPLOYEES**

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as alaid down u/s 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended. Hnce the Details required under section 217(2A) are not given.

### **INSURANCE**

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

### **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.

During the year under consideration production at the Company's factory has been suspended w.e.f. 25.03.2010 due to non availability of orders as compared to production capacity and the lay-off was declared w.e.f. of 25.03.2010 in terms of provisions of UP Industrial Dispute Act, 1947 till further orders. The production has not resumed till date. .

### **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.

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

Place : New Delhi  
Date : 26.11.2010

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Sd/-  
**Gopal Das Aggarwal**  
(Whole Time Director)

**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, 2010.**

**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 : (Rs. In Lacs)

	<b>Year ended June 30, 2010</b>	<b>Year ended June 30, 2009</b>
<b>POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
<b>a) Purchased</b>		
Units (KWH)	<b>1799985</b>	3539445
Total amount (Rs. Lacs)	<b>102.47</b>	166.12
Rate / Unit (Rs.)	<b>5.69</b>	4.69
<b>b) Own Generation</b>		
Through Diesel Generator		
Units	<b>361050</b>	337488
Units per Litre of Diesel Oil	<b>2.80</b>	2.70
Cost/ Unit	<b>10.80</b>	11.26
Through Steam Turbine / Generator Units	<b>NA</b>	NA
Units per Litre of Fuel	<b>NA</b>	NA
Oil/ Gas	<b>NA</b>	NA
Cost/ Unit	<b>NA</b>	NA
2. Coal (Specify quantity and where used)	<b>NA</b>	NA
3. Furnace Oil	<b>NA</b>	NA
4. Other / Internal Generation		
a. De-oiled Rice Husk (for Boiler)		
Quantity (MT)	<b>5402</b>	12113
Total Cost (Rs. Lacs)	<b>178.32</b>	391.20
Rate / MT (Rs.)	<b>3021.48</b>	3229.59
b. Diesel & Other (For Process House)		
Quantity Litres	-	9825
Total Cost (Rs. Lacs)	-	3.24
Average Rate (Rs.)	-	33

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

	Year ended June 30, 2010	Year ended June 30, 2009
5. Consumption per unit (MT) of production		
Production (Tones)	17832.669	37705.649
Electricity (KWH)	99.00	103
Diesel & Other (Litres)	-	.26
Coal	-	-
De-oiled Rice Husk (Kg.)	303	349

**I. Technology Absorption:****Research & Development**

No New Research & development since last year.

**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.

**II. Foreign Exchange Earnings & Outgo : NIL**

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

Place : New Delhi  
Date : 26.11.2010

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Sd/-  
**Gopal Das Aggarwal**  
(Whole Time Director)

**ANNEXURE TO THE DIRECTOR'S REPORT**

**MANAGEMENT DISCUSSION AND ANALYSIS**

Shri Gang Industries & 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 sales are mainly in the State of Uttar Pradesh.

**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 were 8066.69 lacs against Rs. 16877.69 lacs last year. However, during the year under review the company incurred loss of Rs. 677.91 lacs as against loss of Rs. 1261.06 lacs last year.

Due to large scale units for manufacturer of Vansapati & refined oil installed by MNC and big industrial houses at ports having advantages of economies of scale & logistic, the plants in hinterland have become unviable & uncompetitive. There were no orders from the dealers selling our products. Therefore the company had to suspend its production activities & the workers are laid off.

**FINANCE COST**

The financial charges for the year ended June 30, 2010 was Rs. 42.84 lacs as against Rs. 76.01 lacs last year.

**RSERVES AND SURPLUS**

As on June 30, 2010 there was debit balance of Rs 220.81. lacs in the Profit & Loss Account as against Rs. 6326.81 lacs as on 30<sup>th</sup> June, 2010

**EARNING PER SHARE**

Due to losses the earning per share is negative.

**INTERNAL CONTROLS**

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

**ENVIRONMENT CONSCIOUSNESS**

The Company is environment conscious.

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

Place : New Delhi  
Date : 26.11.2010

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Sd/-  
**Gopal Das Aggarwal**  
(Whole Time Director)

**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 believes in and has consistently practiced good corporate governance. Corporate Governance at the Company is practiced through a well structured organization 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, 2010, Nine Board meetings were held on 31.07.2009, 25.09.2009, 31.10.2009, 27.11.2009, 31.12.2009, 01.01.2010, 30.01.2010, 13.03.2010, 14.05.2010.

(b) Composition and Category of Board :

The Board of Directors as on June 30, 2010, consists of a majority of Non-Executive Independent Directors. In all the Board comprises of Two (2) Executive Director, Three (3) Non Executive Independent Directors. The constitution of Board, as on June 30, 2010 is given below:-

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2009-2010	Attendance at last AGM
		Board	Committee			
			Membership	Chairmanship		
Shri J.K. Jain	Executive Director	1	1	1	7	Yes
Shri Gopal Das Aggarwal	Executive Director	-	-	-	9	Yes
Shri Inder Mani Mittal**	Non Executive Independent Director	1	1	-	5	No
Shri Rajesh Gupta*	Non Executive Independent Director	-	-	-	2	No
Shri Sanam Gambhir**	Non Executive Independent Director	-	-	-	5	Yes
Shri G.C.Jain***	Non Executive Independent Director	3	-	-	4	No
Shri Rajesh Gupta***	Non Executive Independent Director	-	-	-	4	No
Shri Narendra Singh****	Non Executive Independent Director	1	-	-	2	No

\* Ceased to be director on 1.12.2009    \*\* Ceased to be director on 01.01.2010    \*\*\* Appointed as Director on 01.01.2010  
\*\*\*\* Appointed as Director on 13.03.2010



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 Listing Agreement. During the year, six Audit Committee meetings were held on 31.07.2009, 25.09.2009, 31.10.2009, 27.11.2009, 30.01.2010, 14.05.2010

The composition of Audit Committee as on June 30, 2010 is as follows:

<b>Name of Director</b>	<b>Designation</b>	<b>Attendance at the meetings held during the year 2009 -10</b>
Shri Gopal Das Aggarwal	Member	5
Shri Sanam Gambhir*	Member	4
Shri Inder Mani Mittal**	Member	4
Shri Rajesh Gupta	Member	2
Shri G.C.Jain	Member	2

\* Ceased to be member on 01.01.2010 and Shri Rajesh Kumar Gupta has been nominated as a member with effect from 01.01.2010 at the meeting of Board of Directors as a member of Audit Committee.

\*\* Ceased to be member with effect from 01.01.2010 and Shri Gyan Chand Jain has been nominated as member with effect from 01.01.2010 at the meeting of Board of Directors as a member of Audit 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) Discussion with external auditors before the audit commences nature and scope of audit as well as has post-audit discussion to ascertain any area of concern.
- (j) To investigate on any matter referred the Board.

**4. REMUNERATION COMMITTEE**

The Board of Directors in their meeting held on April 27, 2002 constituted the Remuneration Committee comprises of two Directors. 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. During the year the Board has re-constituted the Remuneration Committee.

As on June 30, 2010 the committee comprises of three Non-Executive Independent Directors viz. Shri Rajesh Gupta and Shri Gyan Chand Jain & Shri Narender Singh as member. The remuneration committee met on 26.11.2010 to approve the re-appointment of Mr. Gopal Das Aggarwal as Whole Time Director at remuneration of Rs. 15,000/- per month plus other benefits and appointment of Shri J.K.Jain as Managing Director at remuneration of Rs. 50,250 per month plus other benefits.

**5. INVESTORS' GRIEVANCE/ SHARE TRANSFER COMMITTEE**

Pursuant to the Provisions of Clause 49 of the Listing Agreement, the Board has constituted a committee of two members under Chairmanship of Non-executive Director. The committee meets whenever required 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 is as on 30.06.2010:-

- (1) Shri Rajesh Kumar Gupta : Non-executive Director
- (2) Shri Gyan Chand Jain : Non-executive Director

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

During the financial year 2009-10 the Company received three complaints of shareholders and the same has been resolved with in stipulated time. There is no pending complaint relating to financial year 2009-10.

**6. GENERAL BODY MEETINGS**

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

Year	Location	Date	Time
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.
2009	A-26, UPSIDC Industrial Area, Sikandrabad, Dist, Bulandshahar, Uttar Pradesh	30.12.2009	10 A.M.

**Postal Ballot**

During the year under review no resolution was passed through postal ballot.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

**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**

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. The results are being published in the newspapers in terms of the Listing Agreement.

**9. GENERAL SHAREHOLDER INFORMATION**

- (a) Annual General Meeting

Date and Time : 27.12.2010 10:00 A.M.  
 Venue : A-26, UPSIDC Industrial Area, Sikandrabad, Bulandshahar, UP

- (b) Book closure date : 20.12.2010 to 27.12.2010  
 (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  
 The Stock Exchange, Mumbai : 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  
 Beetel Financial & Computer Services (P) Ltd.  
 Beetel House, 3<sup>rd</sup> Floor,  
 99, Madangir, New Delhi- 110017

- (i) Share Transfer System  
 Transfers of shares in physical form are registered and dispatched within 3 weeks from the date of their receipt, subject to the documents being valid and complete in all respects. In case of objections, the same are also communicated within 3 weeks.

- (j) Distribution of Shareholding as on 30<sup>th</sup> June,2010

No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	11414	94.60	1736020	21.89
5001 to 10000	399	3.31	331200	4.18
10001 to 20000	120	0.99	178800	2.25
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	0.77
50001 to 100000	13	0.11	97100	1.22
100001 to above	26	0.46	5387480	67.94
<b>Grand Total</b>	<b>12065</b>	<b>100.00</b>	<b>7930000</b>	<b>100.00</b>

## SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

Shareholding pattern as on June 30, 2010

S.No.	Category	No. of Shareheld	% of holding
A.	Promoters holding	3048180	38.44
B.	Non-promoters holding		
1	Institutional Investors- Banks	184500	2.32
2	Others		
i)	Body Corporate	1758100	22.17
ii)	Indian Public	2937920	37.05
iii)	NRIs/OCBs	1300	0.02
	Sub-total (B)	4881820	61.56
	<b>Grand Total</b>	<b>7930000</b>	<b>100</b>

(k) Dematerialization of Shares and Liquidity\_

The Shareholders in the Annual General Meeting held on 24<sup>th</sup> December, 2001 approved for dematerialization of shares. The Company there after applied NSDL/CDSL for listing of shares but the same was declined by CDSL/NSDL.

(l) Outstanding GDRs/ADRs/Warrants or Convertible Instruments, conversion

Date and likely impact on Equity : Not Applicable

Plant Location : A-26, UPSIDC Industrial Area, Sikandrabad, Bulandshahar, UP

Address for Investor correspondence : A-26, UPSIDC Industrial Area, Sikandrabad, and for a any query on annual Bulandshahar, UP

### Corporate Governance Certificate

The Certificate dated 26.11.2010 obtained from Mr. Manoj Kumar Verma, Company Secretary in whole time practice forms part of this Annual Report and the same is given herein:

To the members of Shri Gang Industries & Allied Products Limited

We have examined the compliance of the conditions of Corporate Governance by **Shri Gang Industries & Allied Products Limited** for the year ended on 30<sup>th</sup> June, 2010, 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 has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with 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 were 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/-

**Manoj kumar Verma**  
(Practising Company Secretary)  
CP No. 8275  
ACS No. 23166

Place : New Delhi  
Date : 26.11.2010

**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 Vansapati Limited**) as at June 30, 2010 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 and taken on record by the Board of Directors, we report that none of the directors is disqualified 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, 2010; 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  
Firm Registration No-10520N

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

Place : Delhi  
Dated : 26.11.2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED, FOR THE YEAR ENDED JUNE 30, 2010.**

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 taken interest free unsecured loan from one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 45.00 Lacs and the year-end balance of unsecured loans taken from such parties was Rs. 45.00 Lacs .
  - b) The interest and other terms and conditions on which unsecured loans have been taken from companies listed in the register maintained under section 301 are not, prima facie, prejudicial to the interest of the company.
  - c) The company is regular in repaying the principal amounts, wherever stipulated.
  - d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301
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 are 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. *According to information and explanation given to us the company has not introduced an Internal Audit system during the year.*
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

## SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

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.2929.68 Lacs (Previous year Rs. 2751.88 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.

- 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 the demand has been deposited under protest.

10. The accumulated losses of the company as at June 30, 2010 are more than its net worth. The company has incurred cash losses of Rs. 624.07 Lacs during the financial year covered by our audit as against cash losses of Rs. 1166.52 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  
Firm Registration No-10520N

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

Place : Delhi  
Date : 26.11.2010

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

**BALANCE SHEET AS AT JUNE 30, 2010**

Schedules		As At 30.06.2010 (Rs.)		As At 30.06.2009 (Rs.)	
<b>I. SOURCES OF FUNDS</b>					
1. SHARE HOLDERS FUNDS					
a)	Share Capital	A	79,300,000	79,300,000	
b)	Reserves & Surplus	B	22,081,000	22,081,000	101,381,000
2. LOAN FUNDS					
a)	Secured Loans	C	44,600,000	92,566,929	
b)	Unsecured Loans		34,000,000	37,000,000	
c)	Deferred Credits		357,081,404	357,953,584	487,520,513
			537,062,404		588,901,513
<b>II. APPLICATION OF FUNDS</b>					
1. FIXED ASSETS					
Gross Block					
Less : Accumulated Depreciation					
		D	222,590,710	218,986,702	
			167,225,390	162,748,875	56,237,827
2. CAPITAL WORK IN PROGRESS					
3. INVESTMENTS					
4. CURRENT ASSETS, LOANS & ADVANCES					
a) CURRENT ASSETS					
Inventories					
Cash & Bank Balances					
Sundry Debtors					
b) LOANS & ADVANCES					
			13,842,720	105,334,370	
			345,040	2,116,526	
			3,875,960	26,427,118	
			8,678,801	16,240,132	
			26,742,521	150,118,146	
Less: CURRENT LIABILITIES & PROVISIONS					
Current Liabilities					
Provisions					
		G	176,887,865	185,628,866	
			2,277,136	1,431,568	
			179,165,001	187,060,434	
			(152,422,480)	(36,942,288)	
5. PROFIT & LOSS ACCOUNT			632,681,289	564,888,557	
			537,062,404		588,901,513
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO THE ACCOUNTS</b>					

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

**For TAS ASSOCIATES**

Chartered Accountants

Firm Registration No-10520N

Sd/-

**(SUBODH GUPTA)**

Partner

M.No.- 087099

Place : Delhi

Date : 26.11.2010

Sd/-

**(J. K. Jain)**

Whole Time Director

Sd/-

**(Gopal Das Aggarwal)**

Whole Time Director



**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2010**

Schedules	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>I. INCOME</b>		
1. Sales		
- Vanaspati	708,254,824	1,499,401,899
- Refined Oil	82,562,044	160,342,035
- By-Products	15,852,802	30,702,007
	<u>806,669,670</u>	<u>1,690,445,941</u>
Less : Excise Duty	-	2,676,108
	<u>806,669,670</u>	1,687,769,833
2. Other Income	H 49,340,641	3,162,795
3. Increase / (Decrease) in stocks	I (56,194,806)	(27,436,655)
	<u>799,815,505</u>	<u>1,663,495,973</u>
<b>II. EXPENDITURE</b>		
1. Raw Material Consumed	J 736,482,720	1,650,126,850
2. Purchase of Vanaspati \ Raw Oil	45,187,500	6,594,000
3. Manufacturing and other Overheads	K 76,500,312	113,510,475
4. Financial Charges	L 4,284,471	7,601,870
5. Depreciation	5,151,479	9,435,285
6. Bad Debts written off	-	562,636
Less : Provision already Made	-	(562,636)
	<u>-</u>	-
7. Provision for doubtful debts	-	114,234
	<u>867,606,482</u>	<u>1,787,382,714</u>
	<u>(67,790,977)</u>	<u>(123,886,741)</u>
<b>III. BALANCE</b>		
<b>IV. EXTRAORDINARY ITEMS</b>		
- Prior period items (Net)	-	(2,003,121)
<b>V. NET PROFIT/(LOSS) BEFORE TAX</b>		
Less: Provision for Tax	(67,790,977)	(125,889,862)
- Current Tax	-	-
- Fringe Benefit Tax	-	(217,106)
- Deferred Tax	-	-
(See Note 19 of Part B of Schedule M)		
<b>VI. PROFIT/( LOSS) FOR THE YEAR</b>		
<b>VII. LOSS BROUGHT FORWARD</b>		
<b>VIII. BALANCE CARRIED TO BALANCE SHEET</b>		
<b>BASIC &amp; DILUTED EARNING PER EQUITY SHARE (Rs.)</b>		
- before extraordinary items	(8.55)	(15.65)
- after extraordinary items	(8.55)	(15.90)
(Refer note no. 18 of part B of Schedule M)		

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS** M

This is the Profit & Loss Account referred to in our report of even date attached

**For TAS ASSOCIATES**

Chartered Accountants  
Firm Registration No-10520N

Sd/-  
**(SUBODH GUPTA)**  
Partner

M.No.- 087099

Place : Delhi

Date : 26.11.2010

Sd/-  
**(J. K. Jain)**  
Whole Time Director

Sd/-  
**(Gopal Das Aggarwal)**  
Whole Time Director

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2010**

	2009-2010 (Rs.)	2008-2009 (Rs.)
<b>A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extra ordinary items	(67,790,977)	(125,889,862)
Adjustment for:		
– Depreciation	5,151,479	9,435,285
– Interest Paid	4,284,471	7,601,870
– Profit on sale of fixed assets	(48,000)	
– Prior Period Adjustment	–	
	9,387,950	(2,003,121)
<b>Operating Profit before Working Capital Changes</b>	(58,403,027)	(110,855,828)
Adjustment for:		
– Inventories	91,491,650	37,898,113
– Trade & Other Receivables	30,112,488	21,033,412
– Trade Payables & Other Liabilities	(7,895,433)	72,233,087
	113,708,705	131,164,612
<b>Cash Generated from Operations</b>	55,305,678	20,308,784
Less : Interest Paid	(4,284,471)	(7,601,870)
Direct Taxes	–	(217,106)
	(4,284,471)	(7,818,976)
<b>Cash Flow before Extraordinary Items</b>	51,021,207	12,489,808
Extraordinary Items		
– Prior Period Adjustment	–	2,003,121
	–	2,003,121
<b>Net Cash from Operating Activities.....A</b>	51,021,207	14,492,929
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
– Purchase of Fixed Assets (net of sales)	(1,001,583)	(21,136,976)
– Sale of Fixed Assets	48,000	–
– Interest Received	–	–
	–	–
<b>Net Cash from Investing Activities.....B</b>	(953,583)	(21,136,976)
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
i) Increase in Share Capital	–	–
ii) Borrowings (Net)	(3,872,180)	32,870,991
iii) Increase in Working Capital Loan	(47,966,929)	(30,796,598)
<b>Net Cash from Financing Activities.....C</b>	(51,839,109)	2,074,393
<b>D) NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENTS ( A + B + C )</b>	(1,771,485)	(4,569,654)
Opening Cash & Cash Equivalents	2,116,525	6,686,179
Closing Cash & Cash Equivalents	345,040	2,116,525

Notes : i) Figures in brackets represent outflows.

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

Firm Registration No-10520N

Sd/-

**(SUBODH GUPTA)**

Partner

M.No.- 087099

Place : Delhi

Date : 26.11.2010

Sd/-

**(J. K. Jain)**

Whole Time Director

Sd/-

**(Gopal Das Aggarwal)**

Whole Time Director

## SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 30.06.2010 (Rs.)	As At 30.06.2009 (Rs.)
<b>SCHEDULE - A : SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
8,500,000 (previous year 8,500,000) Equity Shares of Rs. 10/- each .	<u>85,000,000</u>	<u>85,000,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
7,930,000 (previous year 7,930,000) Equity Shares of Rs 10/- each, fully paid up	<u>79,300,000</u>	<u>79,300,000</u>
	<u>79,300,000</u>	<u>79,300,000</u>
<b>SCHEDULE - B : RESERVES &amp; SURPLUS</b>		
<b>CAPITAL RESERVE</b>		
Balance as per last account	81,000	81,000
<b>GENERAL RESERVE</b>		
Balance as per last account	<u>22,000,000</u>	<u>22,000,000</u>
	<u>22,081,000</u>	<u>22,081,000</u>
<b>SCHEDULE - C : LOAN FUNDS</b>		
<b>SECURED LOANS</b>		
<b>From Financial Institutions</b>		
<b>1. PICUP</b>	44,600,000	44,600,000
– 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)		
<b>From Banks</b>		
<b>2. Working Capital Loans</b>	–	47,966,929
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		
<b>UNSECURED LOANS</b>		
<b>From Body Corporate &amp; Others</b>	34,000,000	37,000,000
<b>DEFERRED PAYMENTS</b>		
1. Trade Tax/State Development Tax/ Turnover Tax/VAT Deferred by the Government of U.P.	292,967,572	275,188,507
(Secured by way of First Charge on the immovable properties of the Company situated at A-26, UPSIDC Industrial Area, Sikandrabad, on Pari Pasu with Punjab National Bank		
2. Power Charges Deferred by the Government of U.P.	<u>64,113,832</u>	<u>82,765,077</u>
(Refer Note No.4 of part B of Schedule M)		357,953,584
	<u>435,681,404</u>	<u>487,520,513</u>

## SCHEDULE-D : FIXED ASSETS

Sl. No.	PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Op. Balance as on 01.07.2009	Additions during the year	Deductions during the year	Cl. Balance as on 30.06.2010	Op. Balance as on 01.07.2009	Dep for the year	Deductions during the year	Cl. Balance as on 30.06.2010	W.D.V. as on 30.06.2010	W.D.V. as on 30.06.2009
1.	Leasehold Land	2,857,874	-	-	2,857,874	-	-	-	-	2,857,874	2,857,874
2.	Building	44,067,224	-	-	44,067,224	20,897,828	1,292,600	-	22,190,428	21,876,796	23,169,396
3.	Plant & Machinery	148,308,317	4,207,982	-	152,516,299	121,410,209	2,963,756	-	124,373,965	28,142,334	26,898,108
4.	Electrical Installtion	6,092,266	-	-	6,092,266	5,815,447	177,337	-	5,992,784	99,482	276,819
5.	Water Supply System	1,992,100	-	-	1,992,100	1,992,100	-	-	1,992,100	-	-
6.	Furniture & Fixtures	3,995,674	-	-	3,995,674	3,810,845	144,224	-	3,955,069	40,605	184,829
7.	Vehicles	2,441,772	2,600	674,964	1,769,408	2,398,541	4,934	674,964	1,728,511	40,897	43,231
8.	Laboratory Equipments	879,352	-	-	879,352	765,524	41,769	-	807,293	72,059	113,828
9.	Other Equipments	8,352,123	68,390	-	8,420,513	5,658,381	526,859	-	6,185,240	2,235,273	2,693,742
	<b>Total</b>	<b>218,986,702</b>	<b>4,278,972</b>	<b>674,964</b>	<b>222,590,710</b>	<b>162,748,875</b>	<b>5,151,479</b>	<b>674,964</b>	<b>167,225,390</b>	<b>55,365,320</b>	<b>56,237,827</b>
10.	Capital Work in Progress									996,724	4,275,418
	<b>Grand Total</b>	<b>218,986,702</b>	<b>4,278,972</b>	<b>674,964</b>	<b>222,590,710</b>	<b>162,748,875</b>	<b>5,151,479</b>	<b>674,964</b>	<b>167,225,390</b>	<b>56,362,044</b>	<b>60,513,245</b>
	TOTAL PREVIOUS YEAR	202,125,144	21,136,976	-	223,262,119	153,313,590	9,435,285	-	162,748,875	56,237,827	48,811,554

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

	As At 30.06.2010 (Rs.)	As At 30.06.2009 (Rs.)
<b>SCHEDULE - E : INVESTMENTS (TRADE - AT COST)</b>		
<u>In Quoted Shares</u>		
*5440 Equity Shares of Industrial Development Bank of India, fully paid up.	442,000	442,000
*includes 2040 Bonus shares		
	<u>442,000</u>	<u>442,000</u>
Aggregate Market Value of quoted investments is Rs.8.91 Lacs (Previous Year Rs. 5.98 Lacs)		
<b>SCHEDULE - F : CURRENT ASSETS.</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>CURRENT ASSETS</b>		
<u>INVENTORIES (As Verified &amp; Valued by Management)</u>		
i) Loose Tools	-	-
ii) <u>Stock in Trade</u>		
- Raw Material	-	32,196,323
- Packing Material	4,532,094	7,179,653
- Consumables	8,980,884	9,433,846
	<u>13,512,978</u>	<u>48,809,822</u>
iii) Stock in Process	-	9,103,695
iv) Finished Goods		
- Vanaspati	329,742	46,340,303
- By Products	-	1,080,550
	<u>329,742</u>	<u>47,420,853</u>
	<u>13,842,720</u>	<u>105,334,370</u>
<b>CASH &amp; BANK BALANCES</b>		
i) Cash in Hand	287,431	538,092
ii) Balances with Scheduled Bank		
- in Current Accounts	54,937	296,527
- Cheques / Drafts in hand	-	1,281,907
iii) Working Capital Loan from Punjab National Bank	2,672	-
	<u>345,040</u>	<u>2,116,526</u>
<b>SUNDRY DEBTORS (Unsecured &amp; Considered Good)</b>		
Over Six Months	1,626,915	1,452,048
Less: Provision for Doubtful Debts	114,234	114,234
	<u>1,512,681</u>	<u>1,337,814</u>
Other Debts	2,363,279	25,089,304
	<u>3,875,960</u>	<u>26,427,118</u>
<b>LOANS &amp; ADVANCES</b>		
(Unsecured and considered good unless otherwise stated)		
i) Advances recoverable in cash or in kind or for value to be received	1,649,272	8,322,094
ii) Securities & other deposits	5,590,338	5,167,213
iii) Income Tax / T.D.S.	53,611	505
iv) Interest Receivable	166,658	432,189
v) Others		
- Staff Loans & Imprest	457,322	817,713
- Insurance Claim receivable	761,600	1,500,418
	<u>1,218,922</u>	<u>2,318,131</u>
	<u>8,678,801</u>	<u>16,240,132</u>

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

	As At 30.06.2010 (Rs.)		As At 30.06.2009 (Rs.)	
<b>SCHEDULE - G : CURRENT LIABILITIES AND PROVISIONS</b>				
<b>CURRENT LIABILITIES</b>				
Sundry Creditors				
- Raw Material Suppliers	114,856,706		147,329,927	
- Others (Refer note No 16 of Part B of Schedule M for SSI units)	29,618,151	144,474,857	11,915,283	159,245,210
Advances from Customers		1,923,001		5,419,796
Security Deposits		24,636,000		9,109,000
Other Liabilities		5,854,007		11,854,860
		<u>176,887,865</u>		<u>185,628,866</u>
<b>PROVISIONS</b>				
Provision for Retirement Benefits		2,277,136		1,163,525
Provision for Fringe Benefit Tax (Net of advance paid)		-		268,043
		<u>2,277,136</u>		<u>1,431,568</u>
<b>SCHEDULE - H : OTHER INCOME</b>				
Income from cancellation of Bargains		-		930,040
Cash Discount		184,980		611,664
Dividends		13,600		10,880
Profit on sale of assets		48,000		-
Debts, no longer considered as payable (net of debit balance written off, Rs.12.93 lacs (P.Y. Rs. 0.27 lacs)		1,673,962		436,382
Others		47,420,099		1,173,829
		<u>49,340,641</u>		<u>3,162,795</u>
<b>SCHEDULE-I : INCREASE/(DECREASE) IN STOCKS</b>				
Opening Stock				
Finished Products	46,340,303		59,471,221	
Stock in process	9,103,695		23,470,637	
By Products	1,080,550	56,524,548	1,019,345	83,961,203
Closing Stock				
Finished Goods	329,742		46,340,303	
Stock in Process	-		9,103,695	
By Products	-	329,742	1,080,550	56,524,548
		<u>(56,194,806)</u>		<u>(27,436,655)</u>
<b>SCHEDULE - J: RAW MATERIAL CONSUMED</b>				
<b>RAW OIL</b>				
Opening Stock	32,196,323		45,539,041	
Add: Purchases (Inclusive of in transit, custom duty clearing charges and freight)	621,773,748		1,468,235,780	
	653,970,071		1,513,774,821	
Less: Closing Stock	-	653,970,071	32,196,323	1,481,578,498
<b>CONSUMABLES</b>				
Packing	53,034,310		108,709,528	
Chemicals	3,794,143		10,642,720	
Fuel	22,016,918		42,394,124	
Others	3,667,278	82,512,649	6,801,980	168,548,352
		<u>736,482,720</u>		<u>1,650,126,850</u>

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

	As At 30.06.2010 (Rs.)	As At 30.06.2009 (Rs.)
<b>SCHEDULE - K: MANUFACTURING, ADMINISTRATIVE AND OTHER OVERHEADS</b>		
<b>MANUFACTURING EXPENSES</b>		
Rates & Taxes	346,121	260,076
Repair & Maintenance		
– Plant & Machinery	3,147,332	5,372,730
– Electricals	292,136	549,150
Electricity & Water Charges	10,257,977	16,614,916
Others	285,528	598,277
	<b>14,329,094</b>	<b>23,395,149</b>
<b>ESTABLISHMENT EXPENSES</b>		
Salaries, Wages & Bonus	26,196,965	29,159,988
Staff Welfare Expenses	1,603,416	2,672,626
Contribution to P. F. & Other Funds	3,045,987	3,163,927
Security Expenses	971,491	880,618
	<b>31,817,859</b>	<b>35,877,159</b>
<b>ADMINISTRATIVE AND OTHER EXPENSES</b>		
Rent	284,735	287,231
Telephone & Postage	616,832	1,016,003
Legal, Professional & Consultancy	892,135	1,676,381
Printing & Stationery	230,549	632,515
Conveyance & Vehicle Maintenance	1,116,882	1,941,033
Insurance	686,087	532,439
Tours & Travelling	263,530	731,384
Repairs & Maintenance	1,749,534	2,061,079
Charity & Donation	-	501
Business Promotion	113,890	64,581
Interest on FBT	13,536	-
Advertisement & Publicity	81,391	113,637
Freight Outward	16,599,441	31,900,089
Brokerage & Commission	2,253,130	4,256,443
Rebate & Incentives	1,508,323	3,199,126
Handling Charges	2,137,849	4,631,514
Auditor's Remuneration	217,210	262,750
Others	1,588,305	931,461
	<b>30,353,359</b>	<b>54,238,167</b>
	<b>76,500,312</b>	<b>113,510,475</b>
<b>SCHEDULE - L: FINANCIAL CHARGES</b>		
Interest on:		
Working Capital Loan	3,125,071	3,902,337
Other Interest	696,677	1,896,648
Bank Charges	462,723	1,802,885
	<b>4,284,471</b>	<b>7,601,870</b>

**SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2010**

**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 up to 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.



**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**

<u>Type of Inventory</u>	<u>Method of Valuation</u>
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

## SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

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.

### B. NOTES TO THE ACCOUNTS:

1. Contingent Liabilities not provided for is 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, the dues of the bank have since been fully discharged by the Company.
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. 3375.68 Lacs (P.Y. Rs. 3197.88 Lacs) and power charges amounting to Rs.641.14 Lacs (P.Y. Rs. 827.65Lacs).During the year the company has repaid a sum of Rs.186.51Lacs 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. Due to adverse market conditions and lack of orders and inspite of the implementation of the rehabilitation scheme by BIFR, the management of the company has temporarily suspended its manufacturing activities at the factory effective from 25<sup>th</sup> March 2010 and accordingly declared 'Lay Off' for indefinite period. In the opinion of the management the manufacturing operations may be resumed once the market conditions improve and thus the present situation has not been identified as 'Discontinued Operations'.
6. 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. 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. (M.T.)	Value (Rs. Lacs)	Qty. (M.T.)	Qty. (M.T.)	Value (Rs. Lacs)	Qty. (M.T.)	Value (Rs. Lacs)
Vanaspati & Refined Oil	49,500	1091.42	463.40	17832.669	7.22	3.30	18906.056	7908.16
Previous years' figures	49,500	960.755	594.71	37705.649	1091.425	463.40	37574.979	16534.01

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

- (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 are 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 10.816 M.T.(Previous year 6.678 M.T.).
- (v) The production quantity is net of quantity rejected and reprocessed.

**b) Trading Operation**

Class of Goods	Opening Stock		Purchases		Closing Stock		Sales	
	Qty. (M.T.)	Value (Rs. Lacs)	Qty. (M.T.)	Value (Rs. Lacs)	Qty. (M.T.)	Value (Rs. Lacs)	Qty. (M.T.)	Value (Rs. Lacs)
Vanaspati	-	-	-	-	-	-	-	-
Previous Year figure	-	-	126	65.95	-	-	126	63.42
CPO-	-	-	1250	451.88	-	-	1250	453.88
Previous Year figure	-	-	-	-	-	-	-	-

**9. ANALYSIS OF MATERIAL CONSUMED:**

	Class of Goods	Unit	Current Year		Previous Year	
			Qty.	Value (Rs. Lacs)	Qty.	Value (Rs. Lacs)
a)	Raw Oil	MT.	18433.60	6539.70	39437.875	14815.78
b)	Fuel	-		220.17		423.94
c)	Packing	-		530.35		1087.09
d)	Chemicals	-		37.94		106.42
e)	Others	-		36.67		68.01
	Total			7364.83		16501.24

**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. Las)	% to total consumption	Value (Rs. Lacs)	% to total consumption
Imported	3312.78	44.98%	-	-	9515.63	57.66%	-	-
Indigenous	4052.05	55.02%	-	-	5303.19	42.34%	-	-

## SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

### 11. Auditors Remuneration :

Particulars	Current Year	Previous Year
Statutory Audit Fee	1,40,000	1,40,000
Tax Audit Fee	50,000	50,000
Certification & Taxation Matters	1,40,000	50,000
Out of Pocket Expenses	7,640	3,180
Service Tax	21,115	19,570
<b>Total</b>	<b>3,58,755</b>	<b>2,62,750</b>

### 12. Remuneration to Managing Director/ Whole Time Directors:

Particulars	Current Year	Previous Year
Salary	9,88,000	8,15,100
Perquisites/Other allowances	5,94,000	5,37,650
Contribution to Provident Fund	11,880	11,412
<b>Total</b>	<b>15,93,880</b>	<b>13,64,162</b>

Note: Current Year figure relates to three (previous year two) Managerial Personnel.

### 13. Expenditure in Foreign Currency

Current Year  
NIL

Previous Year  
NIL

14. The value of Imports by the company on C.I.F. basis during the financial year is Rs.2,748.43 Lacs (Previous Year Rs. 8,064.19 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	2009-10	2008-09
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 paid 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: (Amount Rs.)

Particular	Expenses recognised in 2009-10
Contributory Provided fund & Employee Pension scheme,1995	22,31,717

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

Particulars	Gratuity Funded	Leave Encashment
	2009-2010	un-funded 2009-2010
Present Value of obligation as at beginning of period	10,409,290	1,447,177
Interest cost	832,743	1,12,156
Current service cost	712,858	4,08,178
Actual return on plan assets	N.A.	N.A.
Benefits paid	(3,33,568)	(7,81,920)
Actuarial (gain)/loss on obligation	(301,957)	3,461
Closing defined benefit obligation as at end of period	11,319,366	11,89,052

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

Particulars	Gratuity Funded	Leave Encashment
	2009-2010	un-funded 2009-2010
Opening fair value of plan assets	10,451,707	NIL
Expected return	946,917	N.A.
Contributions by employer	43,828	NIL
Benefits paid	(333,568)	NIL
Actuarial gain/(losses )	NIL	NIL
Closing fair value of plan assets	11,108,884	NIL

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

Particulars	Gratuity Funded	Leave Encashment
	2009-2010	un-funded 2009-2010
Current service cost	712,858	4,08,178
Interest cost	832,743	1,12,156
Expected return on plan assets	(946,917)	N.A.
Net Actuarial (gain) / loss	(301,957)	3,461
Net benefit expense	296,727	5,23,795
Actual return on plan assets		N.A.

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

(iv) Details of provision for Employees Benefits

Particulars	Gratuity Funded	Leave Encashment
	2009-2010	un-funded 2009-2010
Defined benefit obligation	11,319,366	11,89,053
Fair value of plan assets	11,108,884	
Less: Unrecognised past service cost	—	
Plan (Liability)/ Asset	210,482	1,189,053

(v) Actuarial Assumptions

Particulars	Gratuity Funded	Leave Encashment
	2009-2010	un-funded 2009-2010
Mortality table ( LIC)	(1994-96)	(1994-96)
Discount rate	8.00%	7.75%
Expected rate of return on plan assets	—	—
Rate of escalation in salary per annum	6.00%	7.00%
Employee turnover up to 30 years	3.00%	5.00%
Above 30years but up to 44 years	2.00%	4.00%
Above 44 years	1.00%	3.00%

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.

18. Basic and Diluted Earning Per Share

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

(Rupees)

Particulars	2009-2010	2008-2009
<b>Profit after extra-ordinary items</b>		
Profit/ (Loss) for the year	(67,790,977)	(1,26,087,398)
<b>Profit before extra-ordinary items</b>		
Profit/ (Loss) for the year	(67,790,977)	(1,26,087,398)
Less: Prior period expenses	—	( 20,03,121)
	(67,790,977)	(1,24,03,847)
No of weighted average equity shares - Basic	79,30,000	79,30,000
Nominal Value of Equity Shares Rs.	10	10
<b>BASIC &amp; DILUTED EARNING PER SHARE (Rs.)</b>		
After extra-ordinary items	(8.55)	(15.90)
Before extra-ordinary items	(8.55)	(15.65)

19. Provision for Income Tax

- a) The provision for the current Income Tax is not considered necessary for the financial year 2009-2010 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 as under:

(Rupees in Lacs)

	2009-2010	2008-2009
<b>Profit after extra-ordinary items</b>		
<b>Deferred Tax Assets</b>		
i) Provision for Bonus & Leave Encashment	8.74	7.72
ii) Unabsorbed Depreciation as per IT Act & Unabsorbed Business Loss	797.53	679.88
iii) Deferred Trade Tax	995.40	915.77
<b>Total</b>	<b>1801.67</b>	<b>1603.37</b>
<b>Deferred Tax Liabilities</b>		
i) Fixed Assets (WDV)	73.43	107.10
<b>Total</b>	<b>73.43</b>	<b>107.10</b>
Accumulated Deferred Tax Assets (Net)	1728.24	1496.27
Increase/ (decrease) in net Deferred Tax Asset for the year	231.97	320.34

- c) Since the net effect of tax due to timing difference results in Net Deferred Tax Asset, as at the Balance Sheet date, the same has not been recognised in the accounts on conservative basis.
- d) Deferred tax has been calculated as on March 31<sup>st</sup>, 2010 by following the fiscal year, as the depreciation as per income tax and other allowances/losses are calculable only for fiscal year ending March 31<sup>st</sup>, 2010. However, it is expected that this method shall not affect substantially the deferred tax asset as calculated above.

**20. 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

**21. 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) 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.

- (I) Names of Related Parties and description of Relationship:

- i) Key Managerial Personnel:

- |                         |                                                                             |
|-------------------------|-----------------------------------------------------------------------------|
| a) Gopal Das Agrawal    | Whole time Director                                                         |
| b) Rajesh Gupta         | Managing Director (01.04.2009 to 30.11.2009)<br>(Resigned w.e.f 01.12.2009) |
| c) Janeshwar Kumar Jain | Director (31.10.09 to 31.12.09)                                             |

**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

- 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)

	2009-2010		2008-2009	
	Associates	Key Managerial Personnel	Associates	Key Managerial Personnel
<b>A Expenditure</b>				
a) Payments to and provisions for Managerial Personnel	—	15.94	—	13.64
<b>B Income —</b>	—	—	—	—
<b>C Balances of Assets and Liabilities</b>	—	45.00	—	—

22. 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.
23. Previous year figures have been regrouped/ restated wherever considered necessary to conform with the current year figures.
24. 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.

Place : New Delhi  
Date : 26.11.2010

Sd/-  
**J.K.Jain**  
(Whole Time Director)

Sd/-  
**Gopal Das Aggarwal**  
(Whole Time Director)



**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

Information pursuant to part IV of Schedule VI of the Companies Act, 1956

**Balance Sheet Abstract and Company's General Business Profile**

**I. REGISTRATION DETAILS**

REGISTRATION NO.	11,004	STATE CODE	20
BALANCE SHEET DATE	30.06.2010		

**II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)**

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

**III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)**

TOTAL LIABILITIES	537,062	TOTAL ASSETS	537,062
<b>SOURCE OF FUNDS</b>		<b>RESERVES &amp; SURPLUS</b>	
PAID UP CAPITAL	79,300		22,081
SECURED LOANS	44,600	UNSECURED LOANS	391,082
<b>APPLICATION OF FUNDS</b>		<b>INVESTMENTS</b>	
NET FIXED ASSETS	55,365		442
NET CURRENT ASSETS	152,422	MISC EXPENDITURE	NIL
ACCUMULATED LOSSES	632,681		

**IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)**

TURNOVER	799,816	TOTAL EXPENDITURE	867,606
PROFIT / LOSS BEFORE TAX	(67,791)	PROFIT / LOSS AFTER TAX	(67,791)
EARNING PER SHARE (IN RS.)	(8.55)	DIVIDEND%	NIL

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)**

PRODUCT DESCRIPTION	ITEM CODE NO.
VANASPATI	151620
REFINED OIL	15162009

Place : Delhi  
Date : 26.11.2010

Sd/-  
(J. K. Jain)  
Whole Time Director

Sd/-  
(Gopal Das Aggarwal)  
Whole Time Director



**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

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

**ATTENDANCE CARD**

**ANNUAL GENERAL MEETING**

Folio No. : ..... No. of Shares : .....

Name : .....

Address : .....

I hereby record my presence at the Twenty First Annual General Meeting of the Company being held at 10.00 a.m. on Monday the 27<sup>th</sup> Day of December, 2010 at its registered office at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.)

Proxy's Name : .....

Proxy's Signature : ..... Member's Signature : .....

**NOTE:** Members are requested to communicate changes, if any, in the address registered with the Company to the Corporate Office of the Company.

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**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

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

**FORM OF PROXY**

I/We ..... of ..... being a member/members of Shri Gang Industries and Allied Products Limited hereby appoint ..... as my/our proxy to vote for me/us on my/our behalf at the Twenty First Annual General Meeting of the Company being held at 10.00 a.m. on Monday the 27<sup>th</sup> Day of December, 2010 at its registered office at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.)

Dated this ..... Day of ....., 2010.

Proxy No. .... Members Signature .....



Registered Folio No. of Share : .....

**Notes:**

- 1. The proxy form must be deposited at the registered office of the company not less than 48 hours before the time fixed for holding the meeting.
- 2. A proxy needs not to be a member of the Company.

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**SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED**

Regd. Office: A-26, UPSIDC Industrial Area,  
Sikandrabad, Distt. Bulandshahr - 203 205 (U.P.)