

SHREE MAHAGANGA SUGAR MILLS LTD.
(FORMERLY KNOWN AS "ELTROL LIMITED")

ANNUAL REPORT

2009-2010

SHREE MAHAGANGA SUGAR MILLS LIMITED

(FORMERLY KNOWN AS "ELTROL LIMITED")

ANNUAL REPORT

2009-2010

BOARD OF DIRECTORS

Mr. Sanjay Tripathi	Chairman & Managing Director
Mr. Anurag Prasad	Independent Director
Mr. Jalindar Shelar	Independent Director
Mr. Deepak Rathod	Independent Director
Mr. Niraj Sanghvi	Promotor & Non executive Director
Mr. Chitarmal Sharma	Executive Director
Mr. P. M. Rao	Promotor & Non executive Director

AUDITORS

M/S Uday Pasad & Associates
Chartered Accountants
B-6, Shivanjalidham Society, Ramnagar,
Dombivali (E) ,Thane

REGISTRAR AND SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt Ltd
Unit No.1, Luthra Indl. Premises
Andheri Kurla Road, Safed Pool,
Andheri (East), Mumbai- 400 072.

REGISTERED OFFICE

18-22, 4th Floor, Mohid Heights,
Lokhandwala Road, Andheri (West),
Mumbai - 400053, Maharashtra.

NOTICE

NOTICE is hereby given that Annual General Meeting of the members of Shree Mahaganga Sugar Mills Limited (*FORMERLY KNOWN AS "ELTROL LIMITED"*), will be held on Wednesday, 29th September, 2010 at 9.30 a.m. at 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (West), Mumbai-400053, the Registered Office of the Company to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the year ended 31st March, 2010 and the Report of Directors and Auditors thereon ;
2. To appoint a Director in place of Mr. Jalindar Shelar , who retires by rotation and being eligible offers himself for re-appointment ;
3. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL, VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September , 2010 to 29th September , 2010 (both days inclusive).
3. Members are requested to notify changes, if any, in their address to the Company's Registered Office. In case their shares are held in dematerialized form, the information should be passed on to their respective Depository Participants without any delay.
4. Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID nos. for easier identification.
5. Members seeking further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least 10 days before the date of the Meeting so that the information can be made available at the meeting.

Registered Office :
18-22, 4th Floor,
Mohid Heights,
Lokhandwala Road, Andheri (West)
Mumbai-400053

By Order Of the Board of Directors
Shree Mahaganga Sugar Mills Limited
(Formerly known as 'Eltrol Limited')

S/d
Sanjay Tripathi
Chairman & Managing Director

Place : Mumbai.
Date : 2nd September, 2010

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS:

Particulars	Year Ended On 31.03.2010 Rs.	Year Ended On 31.03.2009 Rs.
Income From Operations	0	13,221,000
Profit Before Depreciation & Tax	(282026)	(174,409)
Less: Depreciation	49482	79267
Profit Before Tax	(331508)	(253,676)
Less: Provision For Taxation	0	0
Less: Fringe Benefit Tax	0	946
Less: Deferred Tax Liability	0	0
Profit After Tax	(331508)	(254623)
Add: Balance brought forward from previous year	(11237940)	(10,983,317)
Surplus/(Deficit) carried to balance sheet	(11569447)	(11,237,940)

DIVIDEND :

Your directors do not recommend dividend is for the year 2009-2010.

OPERATIONS :

During the year under review the Company has no business operations.

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

Since the Company do not own any manufacturing facility, the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 are not applicable. During the year under review, the Company did not have any foreign exchange earning or outgo.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Jalindar Shelar , Director retire by rotation, at the ensuring Annual General Meeting and being eligible offer himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

The directors confirm:

1. That in the preparation of the accounts for the year, the applicable accounting standards have been followed and that no material departures have been made from the same;
2. That they selected appropriate accounting policies and applied them consistently and made judgment 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 31st March, 2010 and of the profit of the Company for the year;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the asset of the company and for preventing and detecting fraud and other irregularities; and
4. That they have prepared the accounts for the period on going concern basis.

PARTICULARS OF EMPLOYEES:

During the year, there were no employees whose information is required to be given as per Section 217(2A) read with the Companies (Particular of Employees) Rules, 1975 as amended.

REPORT ON CORPORATE GOVERNANCE:

A detailed report on Corporate Governance is annexed to this Annual Report. The Company has complied with the conditions of corporate governance as stipulated in clause 49 of the listing agreement. The certificate obtained from the auditors of the Company regarding compliance of conditions is annexed to this report.

FIXED DEPOSITS:

During the year under review the Company has neither invited nor accepted Public Deposits.

AUDITORS :

M/s Uday Pasad & Associates., Chartered Accountants, auditors of the Company retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. The Auditor's Report is self-explanatory

LISTING:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited. Listing fees has been paid to Mumbai Stock Exchange.

APPRECIATION

Your directors place on record their appreciation for the continued support received from shareholders. Your Director expresses their appreciation for the assistance and co-operation received from the Government, RBI, local authorities, Bank & customers.

The Board would also like to acknowledge co-operation and commitment rendered by all the associates and employees of the company at all level.

Registered Office :
18-22, 4th Floor,
Mohid Heights,
Lokhandwala Road, Andheri (West)
Mumbai-400053

By Order Of the Board of Directors
Shree Mahaganga Sugar Mills Limited
(Formerly known as 'Eltrol Limited')

S/d
Sanjay Tripathi
Chairman & Managing Director

Place : Mumbai.
Date : 2nd September, 2010

MANAGEMENT DISCUSSIONS AND ANALYSIS

The Management of the Company is pleased to present this report covering the activities of the Company during the period 2009-10.

Operation:

The financial year 2009-10 as again a period of mixture. There have been no operations in the Company for the year under review.

Outlook:

The long-term outlook for the business of the Company looks positive and ever growing.

Opportunities:

Due to globalization and entry of various Multi National Companies (MNCs) into India for closer Business operations, our Company requires to do more struggle to keep it standing.

Risk Management:

The Industry in which the Company operates is highly competitive since there are no entry barriers. The Company does not perceive any risks or concerns other than those come to industry such as regulatory risks, exchange risks, and other commercial and business related risks.

Internal Control Systems and their adequacy:

The company has adequate systems of internal control covering all financial and operational activities. The internal control are designed to provide reasonable assurance with regard to maintaining proper accounting controls, protecting assets from unauthorized losses and ensuring reliability of financial and operational information and proper compliance with regulations.

Human Resources Management:

The Company has harmonious employee relations and there is close interaction between the management and employees to facilitate smooth functioning of our organizational activity. The Company facilitates consistent improvement in performance, productivity and effectiveness by setting targets through an interactive process and continuous and regular staff training programmes. Human resources are being recognized as one of the critical area to the success of our organization.

CORPORATE GOVERNANCE REPORT

In the line with the requirement for providing a report on Corporate Governance as per revised clause 49 of the Listing Agreement with the Stock Exchange given herein below is a report on the Company's Corporate Governance norms.

I. Company's Philosophy on Code of Governance:

Corporate Governance is all about commitment to values and ethical business conduct. The Company believes in setting the highest standards in good and ethical corporate governance practices. The Company's philosophy on Corporate Governance emanates from its commitment for the highest level of transparency and accountability towards its shareholders, customers, employees, Banks and the Government while maintaining steady focus for creation of wealth for shareholders on sustainable basis. The Company is managed by the Managing Director under the supervision and control of the Board of Directors. Corporate Governance in the Company is a systematic process by which Company is directed and controlled to enhance its wealth generating capacity.

II. Board of Directors:

Composition and category of Directors and their attendance at Board Meetings and last Annual General Meeting is as follows :

The Board of Directors met six times during the financial year 2009-10 on following dates : 29/04/2009, 31/07/2009, 01/09/2009, 30/09/2009, 31/10/2009, 29/01/2010,

Name of Directorship	Category of Directorship	No. of Board Meeting attended		Attendance at last AGM	Committee position in Other Company	
		Held	attend		Chairman	Member
Mr. Sanjay Tripathi	Chairman and Managing Director	6	6	Yes	Nil	Nil
Mr. Jalandhar Shelar	Non Executive & Independant	6	6	Yes.	Nil	Nil
Mr. Anurag Prasad	Non Executive & Independent	6	6	Yes.	2	1
Mr. Deepak Rathod	Non Executive Director & Independent	6	6	Yes.	Nil	Nil
Mr. Niraj Sanghvi	Promoter Non Executive Director	6	6	Yes	Nil	Nil
Mr. Chitarmal Sharma	Executive director & Independent	6	6	Yes.	Nil	Nil
Mr. P. M. Rao	Non Executive & Independent	6	5	No	Nil	Nil

Board's Procedure:

It has always been the company's policy and practice that apart from matters requiring Board's approval by statute, all major decisions including quarterly results of the Company, financial restructuring, capital expenditure proposals, acquisition of asset, mortgages, guarantees, donations etc. are regularly placed before the Board. This is in addition to information with regard to actual operations and minutes of all the Committee Meetings.

The Minimum information as required as per code of Corporate governance is being made available to the Board as and when applicable.

III. COMMITTEES OF THE BOARD :**a) Audit Committee :**

The Audit Committee has been constituted as per section 292 A of the companies Act 1956 and guidelines set out in the Listing Agreement with the Stock Exchanges. The Audit Committee of the company, inter-alia, provides an assurance to the Board on the existence and adequacy of effective internal control systems that ensures:

- Efficiency and effectiveness of operations
- Safeguarding of Asset and of provision for all Liabilities
- Reliability of all financial and other management information and adequacy of disclosures
- Compliance with all relevant statutes.

The committee has powers as envisaged under Clause 49 (ii) of the Listing Agreement and as specified by the Board of directors of the company and includes the following terms of references:

- Powers of Audit Committee:
 - i. To investigate any activity within its terms of reference.
 - ii. To seek any information from any employees
 - iii. To obtain outside professional legal advice
 - iv. To secure attendance of outsiders with relevant expertise, if considered necessary
- Review of information by Audit committee :

The audit committee mandatorily review the following information:-

- i) Management discussion and analysis of financial conditions and result of operations.
 - ii) Statement of significant related party transaction (as defined above), as submitted by management.
 - iii) Management letter / letters of internal control weakness issued by the statutory Auditors.
 - iv) Internal Audit Report relating control weakness, and
 - v) The appointment, removal and terms remuneration of the chief Internal auditors shall be subjected to review by the audit committee
- b) Any other matter with the specified permission on the Board.

Composition and attendance:

The audit Committee comprises of three directors.

Meetings and attendance :

During the financial year ended 31st March, 2010 Audit committee meeting were held on 29/04/2009, 31/07/2009, 31/10/2009, 29/01/2010,

The Composition of the Audit Committee and attendance of the member at the meeting are as follow:

Name of member	Category	No . of Meeting Held	Attended
Mr. Jalindar Shelar (Chairman)	Non executive & independent	4	4
Mr. Sanjay Tripathi	Managing Director	4	4
Mr. Anurag Prasad	Non executive & independent	4	4

Shareholders/ Investors Grievance & share Transfer Committee:

The Company has a Shareholders/ Investors Grievance & share Transfer Committee to oversee grievance and redressal mechanism and recommended measures to improve the level of investor's services and to look into and decide matters pertaining to share transfer, duplicate share certificates and related matters. The committee comprises Three directors . The present composition of this committee is as under:

Sr. No.	Name of Member	Category
1	Mr. Jalindar Shelar	Non Executive & Independent
2	Mr. Deepak Rathod	Non Executive & Independent
3	Mr. Anurag Prasad	Non Executive & Independent

The functioning and terms of references of the Committee are as prescribed under the Listing Agreement with the Stock Exchange with particular reference to transfer, dematerialization complaints of shareholder etc.

The quorum for the functioning of the committee is There of the directors present. The company attends to the investors grievances/ correspondences expeditiously and usually a reply is sent within 10-20 days of receipt of letter. Except in the cases that are constrained by dispute or legal impediments.

Number of Shareholders complaints	02
Number of Complaints solved	02
Number of pending complaints	02

II. General Body Meetings:

Details of last three Annual General Meetings:

Location, date and time of the Annual General Meeting held in the last 3 years is as under:

Financial Year	Date	Time	Location
2006-07	28-09-2007	3.00 p.m.	28, Raja Bahadur Mansion, 4 th Floor, Office No.21,B.S.Marg, Fort,Mumbai – 400 023
2007-08	30-09-2008	4.30 p.m.	Kailash Parbat, Crystal Plaza, New Link Road, Andheri (West), Mumbai -400053.
2008-09	30-09-2009	9.30a.m.	21, Mohid Heights ,Opp.Versova Telephone Exchange, New Link Road, Andheri (W) Mumbai-400053.

Special Resolution passed in previous three Annual General Meetings:

1. AGM held on 28/09/2007: NIL
2. AGM held on 30/09/2008: NIL
3. AGM held on 30/09/2009: NIL

Postal Ballot Resolution : During the year 2009-10, none of the resolutions were passed through postal ballot Mechanism.

VI. Code of Conduct:

The company has adopted a code of conduct for all Board Members and Employees of the company. The code of conduct has already been posted on the website of the company for general viewing. All Board Members and Senior Management Personnel have affirmed compliance with the code on annual basis The Annual Report contains a declaration to this effect signed by the CEO.

III. Disclosures:

During the financial year ended 31st March ,2010, there were no materially significant related party transactions that may have potential conflict with the interest of Company at large with its promoters, directors subsidiaries or relatives.

The Company has complied with requirements of listing agreement/ regulations/guidelines/rules of the Stock Exchanges/SEBI/other statutory authorities. The Company is restrain from buying, selling or dealing in the securities market in any manner whatsoever for a period of 5 years from the date of this order i.e 15th July, 2010 by SEBI under Section 11, 11B and 11(4) of SEBI Act, 1992 read with Regulation 11 of SEBI (PFUTP regulation) 2000. However the period of prohibition already undergone by the company pursuant of the interim order dated 5th October, 2005 shall be set off and the restraint will be applicable only to the extent of the remaining period.

IV. Means of Communication:

- The Board of Directors of the company approves and take on record quarterly, yearly financial results as per the requirement of the Listing Agreement the Stock Exchanges. The result are also faxed to the Stock Exchange where the company is listed ;
- The approved financial results are forthwith sent to the Stock Exchange and published in the “**The Asian Age And Mumbai Lakshdeep**” news paper within forty-eight hours of approved thereof ;
- No formal presentation were made to the institutional investors and analysts during the year under review ;
- Management Discussion and Analysis (MDA) forms of the part of the Annual Report, which is posted to the shareholders of the Company.

IX General Shareholder Information:

(a)Registered office:

18-22, 4th Floor,
Mohid Heights,
Lokhandwala Road, Andheri (West)
Mumbai-400 053.

b) Annual General Meeting :

The Annual General Meeting of the Company, will be held on Wednesday, 29th September, 2010 at 9.30 a.m. at 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (West), Mumbai – 400053.

The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2010 to 29th September, 2010 (both days inclusive) for the purpose of the Annual General Meeting.

(c) Listing of Stock Exchange**Equity Share :****1) Bombay stock exchange Ltd.**

Phiroze Jeejeebhoy Tower

Dalal Street, Mumbai – 400 001

(d) Stock Code :

Mumbai - 530835

(g) Market Price Data:

Stock Market Data during the financial year 2009-10

The monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited is as under :

Year	Month	High (rupees)	Low(Rupees)	
2009	April	0.54	0.31	
	May	0.69	0.56	
	June	0.83	0.57	
	July	0.75	0.45	
	August	0.59	0.44	
	September	0.62	0.48	
	October	0.58	0.43	
	November	0.57	0.34	
	December	0.55	0.40	
	2010	January	0.71	0.45
		February	0.60	0.46
		March	0.50	0.39

(h) Registrar and Share Transfer Agent (for Physical as well as for Demat) :

M/s. Sharex Dynamic (India) Pvt. Ltd.
Luthra Industrial Estate,
Safed Pool Andheri (East),
Mumbai – 400072.

(i) Share Transfer System:

Share Transfer in physical form are registered and returned to the respective transferees within a period ranging from two to three weeks, provided the documents lodged with the Registrar / Company are clear in all respect.

(k) Distribution of Shareholding:

Number of Equity Shares held	Number of Shareholders	% to total Shareholders	No. of Shares held	% to total Shareholding
Upto 5000	1837	20.94	6607960	1.55
5001-10000	2229	25.41	21763900	5.12
10001-20000	1463	16.68	27125500	6.38
20001-30000	653	7.44	18295570	4.30
30001-40000	279	3.18	10699270	2.52
40001-50000	918	10.47	45493540	10.70
50001-100000	782	8.91	65868440	15.49
100001 and above	611	6.97	229245820	53.93
TOTAL	8772	100.00	425100000	100.00

(l) Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs or Convertible instruments. There are no convertible warrants outstanding as on date.

J) Investor Correspondence:

Address for Correspondence :
18-22 , 4th Floor , Mohid Heights,
Lokhandwala Road ,
Andheri (West)
Mumbai-400 053

Declaration

As provided under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), it is hereby confirmed that all the Board Members and Senior Management Personnel of the company have affirmed the compliance with the Code of Conduct for the year ended 31ST March , 2010.

Shree Mahaganga Sugar Mills Limited
(Formerly known as 'Eltrol Limited')

Sd/-
Sanjay Tripathi
Chairman & Managing Director

Place : Mumbai.

Date : 2nd September, 2010

CEO Certificate Under Clause 49(V) of the Listing Agreement (Corporate Governance Guidelines) to be placed before the Board along with the Audited Annual Accounts:

- a. I certify to the Board that I have reviewed Financial Statement and Cash Flow Statement for the Year ended 31st March, 2010 and that to the best of our knowledge and belief;
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's state of affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are of fraudulent, illegal nature or has violated the Company's Rules;
- c. I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the Company;
- d. I have indicated to the auditors and the audit committee:
- i. Significant changes in internal control during the year ;
- ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Shree Mahaganga Sugar Mills Limited
(Formerly known as 'Eltrol Limited')

Sd/-
Sanjay Tripathi
Chairman & Managing Director

Place : Mumbai.

Date : 2nd September, 2010

CERTIFICATE

To,

The Members of Shree Mahaganga Sugar Mills Limited (*Formerly known as 'Eltrol Limited'*)

We have examined the compliance of conditions of corporate governance by Shree Mahaganga Sugar Mills Limited (*Formerly known as 'Eltrol Limited'*), for the year ended 31st March , 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 the above mentioned Listing Agreement.

We state that no investor grievances are 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Uday Pasad and Associates
Chartered Accountants**

**Place: Mumbai
Date: 02.09.2010**

**Sd/-
(Uday Pasad)
Proprietor
M.No.-46581**

AUDITORS REPORT TO SHAREHOLDERS

TO,
The Members of
SHREE MAHAGANGA SUGAR MILLS LIMITED.

We have audited the attached Balance Sheet of SHREE MAHAGANGA SUGAR MILLS LIMITED as at 31st March 2010, issued by the Company law board in terms of section 227(4A) of The Companies Act, 1956 and explanation given to and the basis of such checks as we consider appropriate. We enclose in the Annexure statements on the matter specified in the paragraph 4 and 5 of the said order

Further to our comments in the annexure referred to in paragraph in 1 above, state that,

- (a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of the audit.
- (b) In our opinion, the company has kept proper books of accounts as required by law so far, as appears from examination of such books.
- (c) The Balance Sheet, the Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (d) In our opinion the Profit & Loss Account, The Balance Sheet and the Cash Flow Statement dealt with by this report comply with the mandatory Accounting standards referred to in sub section 211(3C) of The Companies Act, 1956.
- (e) On the basis of written representations received from the Directors as on March 31, 2010 and taken on record by the Board Of Directors, we report that none of the Directors are disqualified as on 31st March 2010 from being appointed as Directors in terms of clause (g) of sub section 274 of the Companies Act 1956.
- (f) In our opinion and to the best of our information and according to explanation given to us, the said accounts read together with the Significant Accounting Policies and other 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 case of the Balance Sheet, of the state of affairs of the company as at 31st March 2010 and
 - (II) In case of the Profit & Loss Account, of the loss of the company for the year ended on that date and
 - (III) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

PLACE : Mumbai
DATE : 2nd September, 2010

FOR UDAY PASAD & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(UDAY PASAD)
PROPRIETOR
M.NO.46581

ANNEXURE TO AUDITOR'S REPORT

Re SHREE MAHAGANGA SUGAR MILLS LIMITED.

(Referred to in paragraph 1 of our report on even date)

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
2. In our opinion, the Company has not disposed off substantial part of its fixed assets during the year and the going concern status of the Company is not affected
3. The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
4. In our opinion the rate of interest and other terms and conditions on which loans have been taken from companies, firms or other parties listed in the register maintained under section 301 and from companies under the same management as defined under sub section (1-B) of section 370 of Companies Act, 1956 are prima facie not prejudicial to the interest of the company.
5. The company has not granted any loans to companies, firms or other listed in register maintained under section 301 of Companies Act, 1956 or to the companies under same management under sub section (1-B) of section 370 of Companies Act, 1956.
6. There are no interest free advances in the nature of loans given to employees during the year.
7. 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 purchase of raw materials, components, stores, plant and machinery, equipment, and other assets and for the sale of goods.
8. In our opinion and according to the information and explanations given to us, there are no transactions of purchase of goods and materials and sale of goods, materials and services made.
9. As explained to us there is no unserviceable or damaged stores, raw materials and finished goods.
10. The Company has not accepted deposits from the public within the meaning of section 58-A of the Companies Act, 1956 and the rules framed thereunder.
11. As explained to us, the Company does not have any significant realisable by-product or scrap.
12. In our opinion, the Company has an internal audit commensurate with the size of the Company and the nature of the business.
13. To the best of our knowledge and according to the information and explanation provide to us the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.

14. In our opinion, the Company is not a Chit Fund or a nidhi/mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) Order 2003, (as amended) are not applicable to the company.
15. As explained to us and from our examination of the books of accounts the Provident Fund and Employees State Insurance Act is not applicable to the Company.
16. According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Wealth Tax, Customs Duty and Excise Duty, Cess and any other statutory dues, have been generally regularly deposited with the appropriate authorities except for the few cases. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2010 for a period of more than six months.
17. As appears from our examination the records and according to the information and explanations given to us, no personal expenses have been charged to revenue account other than those payable under contractual obligation or in accordance with generally accepted business practice.
18. The company is not a sick industrial company within the meaning of clause (0) of sub section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
19. Based upon the Audit procedures performed for the purpose of reporting, the 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 year.

PLACE : Mumbai

DATE : 2nd September, 2010

FOR UDAY PASAD & ASSOCIATES

CHARTERED ACCOUNTANTS

**Sd/-
(UDAY PASAD)
PROPRIETOR
M.NO.46581**

SHREE MAHAGANGA SUGAR MILLS LIMITED
BALANCE SHEET AS AT March 31, 2010

	Schedule	March 31, 2010	<i>Amount in Rupees</i> March 31, 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	A	62,510,000	62,510,000
Reserves and surplus	B	130,000,000	130,000,000
Loan funds			
Secured loans	C	-	-
Unsecured loans	D	-	-
		192,510,000	192,510,000
APPLICATION OF FUNDS			
Fixed assets			
Gross block	E	6,464,456	6,464,456
Less: Depreciation/amortization		195,649	146,167
Net block		6,268,807	6,318,289
Advance for Capital Goods		2,936,850	2,936,850
		9,205,657	9,255,139
Investments			
	F	12,848,377	12,848,377
Current assets, loans and advances			
Inventories	G	7,397,340	7,397,340
Sundry debtors	H	28,726,135	28,726,135
Loans , Advances & Deposits	I	120,887,600	120,887,600
Cash & Bank Balance	J	512,475	709,625
		157,523,550	157,720,700
Less: Current liabilities and provisions			
	K	443,007	358,131
Net current assets		157,080,543	157,362,569
Miscellaneous expenditure			
(To the extent not W/o.)	L	1,805,976	1,805,976
Profit and loss account			
		11,569,446.00	11,237,939.00
		192,510,000	192,510,000
Notes to account			
	S	-	-

As per our report of even date attached
For UDAY PASAD & ASSOCIATES.
Chartered Accountants

For and on behalf of the board of directors

Sd/-
(UDAY PASAD)
Proprietor
Membership No.: 46581

Sd/-
Sanjay Tripathi
Managing Director

Sd/-
Jalindar Shelar
Director

Mumbai
Date: 02/09/2010

SHREE MAHAGANGA SUGAR MILLS LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	<i>Amount in Rupees</i>	
		March 31, 2010	March 31, 2009
INCOME			
Income from Operation	M	-	13,221,000
Other income	N	-	-
		<u>-</u>	<u>13,221,000</u>
EXPENDITURE			
Cost of Goods Sold	O	-	13,066,000
Employees Cost	P	36,000	72,000
Sales, Administrative & Other Expenses	Q	246,026	257,409
Depreciation (Refer to Schedule "S")	E	49,482	79,267
		<u>331,508</u>	<u>13,474,676</u>
TOTAL		331,508	13,474,676
Profit/(Loss) Before Taxation		(331,508)	(253,676)
Provision for Taxation			
- For Current Taxation			
- For Fringe Benefit Tax		-	946
Profit/(Loss) After Taxation		(331,508)	(254,622)
Balance brought forward from previous year		(11,237,939.00)	(10,983,316)
		(11,569,446.78)	(11,237,938.00)
Notes to account	S		

As per our report of even date attached
For UDAY PASAD & ASSOCIATES.
Chartered Accountants

Sd/-
(UDAY PASAD)
Proprietor
Membership No.: 46581

Mumbai
Date: 02/09/2010

For and on behalf of the board of directors

Sd/-
Sanjay Tripathi
Managing Director

Sd/-
Jalindar Shelar
Director

SHREE MAHAGANGA SUGAR MILLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Schedule 'A'	March 31, 2010	March 31, 2009
Share capital		
Authorised Share Capital		
5,00,00,000 Equity Share of Rs. 1/ each (Previous year 5,00,00,000 Equity Share of Re. 1/-)	50,000,000	50,000,000
2,00,00,000 6% Non-Cumulative Preference Share of Rs. 1/- each (Previous year 2,00,00,000 6% Non-Cumulative Preference Share of Rs. 1/- each)	20,000,000	20,000,000
	70,000,000	70,000,000
Issued, subscribed and paid-up		
4,25,10,000 (Previous Year 4,25,10,000) Equity Shares of Rs. 1/- each Out of the above 20,000 Equity Shares of Rs. 1/- each were issued as bonus shares during F. Y. 92-93 by capitalising Revaluation Reserve	42,510,000	42,510,000
2,00,00,000 (Previous Year 2,00,00,000 shares) 6% Non-Cumulative Preference shares of Rs. 1/- each. These are redeemable on 28th March 2013.	20,000,000	20,000,000
	62,510,000	62,510,000
Schedule 'B'		
Reserves and surplus		
Securities premium account As per last balance sheet	130,000,000	130,000,000
	130,000,000	130,000,000
Schedule 'C'		
Secured Loans		
Loans from banks	-	-
From a company	-	-
	-	-
Schedule 'D'		
Unsecured Loan		
	-	-
Schedule 'F'		
Investments		
(In Shares & Securities)		
Unquoted Share	1,400,000	1,400,000
Quoted Shares	11,448,377	11,448,377
	12,848,377	12,848,377
* Aggregate Book Value of Unquoted Investments : Rs. 14,00,000/- (Previous Year Rs. Rs. 14,00,000/-)		
* Aggregate Book Value of quoted Investments : Rs. 1,14,48,377 /- (Previous Year Rs. Rs. 1,14,48,377 /-)		
Schedule 'G'		
Inventories		
Finished Goods	7,397,340	7,397,340
	7,397,340	7,397,340

SHREE MAHAGANGA SUGAR MILLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010

Schedule 'E'**Fixed assets**

Particulars	Gross block		Depreciation/amortization				Net block	
	As at April 1, 2009	Adjustments Additions	As at March 31, 2010	Opening April 1, 2009	Depriciation For the Year	Deletion/ Adjustments	As at March 31, 2010	As at March 31, 2009
Plant and machinery	4,582,141	-	4,582,141	-	-	-	4,582,141	4,582,141
Office equipment	192,768	-	192,768	-	-	-	192,768	192,768
Computer (Factory)	270,000	-	270,000	-	-	-	270,000	270,000
Computer (Office)	85,750	-	85,750	85,750	-	-	-	-
Furniture & Fixtures (Office)	333,797	-	333,797	60,417	49,482	-	223,898	273,380
Furniture & Fixtures (Factory)	1,000,000	-	1,000,000	-	-	-	1,000,000	1,000,000
Total	6,464,456	-	6,464,456	146,167	49,482	-	6,268,807	6,318,289
Previous year	6,464,456	-	6,464,456	66,900	79,267	-	6,397,556	6,410,123

Schedule 'H'**Sundry debtors**

(Unsecured, considered Good)

Outstanding for more than 6 months

28,726,135 15,505,135

Others

- 13,221,000

28,726,135 28,726,135**Schedule 'I'****Loans and advances**

(Unsecured, considered Good)

Advances receivables in cash or kind

120,887,600 120,887,600

Sundry Deposits

- -

120,887,600 120,887,600**Schedule 'J'****Cash and bank balances**

Cash on hand

512,475 709,625

Balance with scheduled Banks in Current Accounts

512,475 709,625**Schedule 'K'****Current Liabilities and Provisions****Current liabilities (a)**

Sundry creditors for expenses

98,068 13,746

98,068 13,746**Provisions (b)**

Provision For Audit Fees

15,000 7,500

Provision For FBT

- 946

Provision For Income Tax 05-06

329,939 329,939

Provision For Office Rent

- 6,000

344,939 344,385**Total (a) + (b)****443,007 358,131****Schedule 'L'****Miscellaneous expenditure**

(To the extent not written off or adjusted)

Share Issue Expenses (a)

- -

Less: W/Off during the year

- -

- -

New Project Expenses (b)

1,805,976 1,805,976

Less: W/O during the year

- -

1,805,976 1,805,976**Total (a+b)****1,805,976 1,805,976**

SHREE MAHAGANGA SUGAR MILLS LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT MARCH 31, 2010
March 31,2010

Schedule 'M'**Revenue from Operations**

Sales	-	13,221,000
	<u>-</u>	<u>13,221,000</u>

Schedule 'N'

Other income	-	-
	<u>-</u>	<u>-</u>

Schedule 'O'**Cost of Goods Sold**

Opening Stock	7,397,340	7,397,340
Add:- Purchase	-	13,066,000
Less Closing Stocks	7,397,340	7,397,340
	<u>-</u>	<u>13,066,000</u>

Schedule 'P'**Employee cost**

Salary & Wages	36,000	72,000
	<u>36,000</u>	<u>72,000</u>

Schedule 'Q'**Selling, administrative and Other Expenses**

ROC Fees	9,500	7,500
Advertisement Expenses	33,346	13,746
Auditor's Fees	7,500	7,500
Conveyance Expenses	-	8,600
Internet Charges	-	6,740
Legal & Professional Expenses	3,000	2,400
Listing Fees	87,816	41,630
R & T Fees	73,218	34,498
Meeting Expenses	3,211	3,500
Office Expenses	4,592	6,215
Rent	18,000	116,000
Printing & Stationery	-	3,580
Repair & Maintenance	-	700
Telephone Expenses	5,843	4,800
	<u>246,026</u>	<u>257,409</u>

SHREE MAHAGANGA SUGAR MILLS L IMITED**Schedule S – Significant Accounting policies and Notes on Accounts****A. Significant Accounting Policies :****1. Basis of Accounting:**

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles except as stated otherwise.

2. Fixed Assets and depreciation:

- a) Fixed assets (except office computer) are stated at the cost of acquisition. Office computers are stated at cost less depreciation. Advances given for purchase of fixed assets are shown under CWIP.
- b) Depreciation of office computer is provided using written down value method at the rates prescribed under schedule XIV to the Companies Act, 1956.

3. Inventories :

Inventories are valued at lower of cost or net realizable value. Cost is determined on first – in -first- out basis.

4. Revenue Recognition :

- a) Depreciation on fixed assets (other than office computer) is provided actual use instead of accrual basis as per the schedule XIV of the companies Act, 1956.
- b) Interest and Penalties under the Income Tax Act, 1961 is accounted on cash basis.
- c) All other income and expenses are accounted on accrual basis.

5. Investments :

Investments are carried at cost.

6. Amortization :

- a) Technical know how is amortised over a period of five years.
- b) New project expenses and shares issue expenses are amortized over a period of ten years.

7. Income Tax :

Provision is made for income tax annually based on tax liability computed after considering tax allowances and exemptions

and is sufficient to meet the current income tax liability.

B. Notes to Accounts:

1. As per the past practice the company has not provided depreciation on Fixed Assets (other than office computers and Furniture & Fixture -) and no manufacturing activities as the same are lying unused for several years. As the company is in the process of disposing off those assets, the same has not been written off during the current year. The Loss/Profit, if any on the disposal of the same will be recognized in the next year.

2. As regards advances for capital goods aggregating Rs. 12,08,87,600/- the company initiated process of recovery. As the company is hopeful of recovery in the coming years, no Provision/Write-off in considered necessary.
3. During the year company has not sold any Finished Goods and same are laying in Inventories.
4. The company is engaged in trading activity and there is no activity during the year. Since reportable segments as defined in AS 17 on Segmental Reporting.
5. In respect of preference shares no provision for proposed dividend is considered necessary.
6. In the opinion of the management the provisions of payment of Gratuity Act, Provident Funds Act and other similar acts are not applicable and hence no provisions are considered necessary in this regard.

7. Earnings per share	2009-2010	2008-2009
Net profit attributable to equity shareholders	NIL	NIL
Weighted average number of equity share outstanding	4,25,10,000	4,25,10,000
Basic earning per share	NIL	NIL

8. Auditor's Remuneration

I) Statutory Audit Fee	7,500/-	7,500/-
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9. Additional information pursuant to the provisions of paragraphs 3, 4c and 4d of part II of Schedule VI of the Companies Act, 1956 (to the extent applicable):

Quantitative Information:

Trading Activities	Classes of Goods	
	Steel	Paper
Opening Stock	(Kgs)	(Qty. in Mt)
Quantity	NIL	NIL
	(NIL)	(NIL)
Purchased during the year	NIL	NIL
Sales	NIL	NIL
Stock	NIL	NIL

10. Previous years figures have been regrouped and rearranged, wherever considered necessary.

As per our report of even date attached
For UDAY PASAD & ASSOCIATES.
 Chartered Accountants

Sd/-
(UDAY PASAD)
 Proprietor
 Membership No.: 46581

Mumbai
 Date: 02/09/2010

For and on behalf of the board of directors

Sd/-
Sanjay Tripathi
Managing Director

Sd/-
Jalindar Shelar
Director

C. The information relating to the Balance sheet abstract and Company's general business profile as per part IV to the companies Act, 1956 is as under

1. REGISTRATION DETAILS :

Registration no	:	063227
Sate Code	:	11
Balance sheet Date	:	31/03/2010

2. CAPITAL RAISED DURING THE PERIOD (AMOUNT IN RS) :

Public Issue	:	NIL
Right Issue	:	NIL
Bonus Issue	:	NIL

3. POSITION OF MOBILISATION AND DEPLOMENT OF FUNDS (Rs. In Thousand)

Total Liabilities	:	192510
Total Assets	:	192510

SOURCES OF FUNDS:

Paid up Capital	:	62510
Share Application Money	:	NIL
Reserve & Surplus	:	130000
Secured Loan	:	NIL
Unsecured Loan	:	NIL

APPLICATION OF FUNDS:

Net Fixed Assets	:	9205
Investments	:	12848
Net Current Assets	:	157080
Misc. Expenditure	:	1806
Accumulated Losses	:	11569

4. PERFORMANCE OF COMPABY (Rs. In Thousand):

Turnove	:	NIL
Other Income	:	NIL
Total Expenditure	:	331
Profit/(Loss) before Tax	:	(331)
Profit/(Loss) after Tax	:	(331)
Earning per share in Rs.	:	NIL
Dividend Rate (%)	:	NIL

5. GENERIC NAMES OF THREE PRINDIPAL SERVICES OF COMPANY:

(AS PER MONETARY TERMS)

Items code no. ITC Code	:	N.A.
Service Description in Shares	:	Trading & Investment and Securities.

As per our report of even date attached

For UDAY PASAD & ASSOCIATES.

Chartered Accountants

For and on behalf of the board of directors

Sd/-
(UDAY PASAD)
Proprietor
Membership No.: 46581

Sd/-
Sanjay Tripathi
Managing Director

Sd/-
Jalindar Shelar
Director

Mumbai
Date: 02/09/2010

SHREE MAHAGANGA SUGAR MILLS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED AS ON 31ST MARCH 2010

(In Rupees)

	Particulars	For the year ended 31.03.2010
A.	Cash Flow Arising from operating Activities	
	Net Profit/ (Loss) before taxation and extraordinary items	(331,508)
	Add:- Adjustments For:	
	Depreciation for amotisation	49,482
	Preliminary Expenses	-
	Operating Profit before Working Capital Changes	(282,026)
	(Increase)/decrease in receivables	-
	(Increase)/decrease in inventories	-
	Fringe Befefit & Taxes Paid	-
	Increase/(decrease) in payables	84,876
	Net Inflow/(outflow) from operating activities (A)	(197,150)
B	Cash Flow Arising from investing Activities	
	Purchase of Fixed Assets	-
	Purchase of Investment	-
	Net Inflow/(outflow) from investing activities (B)	-
C	Cash Flow Arising from Financing Activities	
	Unsecured Loans Liabiltsie	-
	Loans & Advances assets	-
	Interest Accrued but not rec on FD	-
	Net Inflow/(outflow) from Financing Activities (C)	-
	Net Cash Flow During the year	(197,150)
	Cash and cash equivalent at beginning of period	709625
	Cash and cash equivalent at end of period	512475
	Net decrease in cash and cash equivalent	(197,150)

As per our report of even date attached
For UDAY PASAD & ASSOCIATES.
Chartered Accountants

Sd/-
(UDAY PASAD)
Proprietor
Membership No.: 46581

For and on behalf of the board of directors

Sd/-
Sanjay Tripathi
Managing Director

Sd/-
Jalindar Shelar
Director

Mumbai
Date: 02/09/2010

Shree Mahaganga Sugar Mills Limited

(Formerly known as 'Eltrol Ltd')

Regd. Office: 18-22 ,4th Floor , Mohid Heights , Lokhandwala Road , Andheri (West)
Mumbai-400053, Maharashtra.**PROXY FORM**

I/We _____ of _____
in the district of _____ being a member(s) of Shree Mahaganga Sugar Mills Limited (Formerly Known as "Eltrol Limited ") hereby appoint _____ of _____ in the district of _____ failing him/her _____ of _____ as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 29th September, 2010 at 9.30 a.m. at, 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (W), Mumbai - 400053. and any adjournment thereof.

Signed this _____ day of _____ 2010.

DP ID/Client ID./ L.F. No. _____

No.of Shares _____

Note: The Proxy and the Power of Attorney (if any) under which it is signed or a notarially copy of that Power of Attorney must be deposited at the Registered Office of the Company at, 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (W), Mumbai - 400053 Maharashtra, not less than 48 hours before the date for holding the Annual General Meeting.

Shree Mahaganga Sugar Mills Limited

(Formerly known as 'Eltrol Ltd')

Regd. Office: 18-22 , Mohid Heights , Lokhandwala Road , Andheri (West),
Mumbai-400053, Maharashtra.**ATTENDANCE SLIP****ANNUAL GENERAL MEETING**

(To be handed over, duly filled at the Entrance of the Meeting Place)

Name of the attending Member/Proxy _____

(in block letters)

DP ID/Client ID./ L.F. No. _____

No. of Shares _____

I hereby record my presence at the Annual General Meeting of the Company being held at Wednesday, the 29th September, 2010 at 9.30 a.m. at 18-22, 4th Floor, Mohid Heights, Lokhandwala Road, Andheri (W), Mumbai - 400053

Date:

Signature of the Member

BOOK-POST

If undelivered, please return to :
SHREE MAHAGANGA SUGAR MILLS LIMITED
18-22, 4th Floor, Mohid Heights,
Lokhandwala Road, Andheri (West),
Mumbai - 400053, Maharashtra.