

**SHRI GANG INDUSTRIES AND
ALLIED PRODUCTS LIMITED**

**27TH ANNUAL REPORT
2015-2016**

BOARD OF DIRECTORS

Chairman	Shri J.K. Jain
Whole Time Director	Shri J.K. Jain
Directors	Shri Narendra Singh Bisht Smt Suchi Bahl Shri Syed Azizur Rahman Shri Gyan Chand Jain Shri Rajesh Kumar Gupta
Bankers	HDFC Bank
Auditors	M/s Tas Associates Chartered Accountants
Secretarial Auditor	M/s Monika Kohli & Associates Company Secretaries
Registered Office	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh
Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi-110062

ANNUAL REPORT 2015-16

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NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of **M/s Shri Gang Industries and Allied Products Limited** will be held on Thursday, September 29, 2016 at 3.00 p.m. at the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement of the Company for the period ended 31st March, 2016 and the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Suchi Bahl (DIN 02332887) who retires by rotation and being eligible, offers herself 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 and to pass the following resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 139(2) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, **M/s Tas Associates, Chartered Accountants**, having Firm Registration No. 10520N, be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting of the Company at such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS:

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

“RESOLVED THAT Mr. Syed Azizur Rahman (DIN 00242790) who was appointed as an Additional Director of the Company with effect from March 14, 2016 in terms of Section 161(1) of the Act and who shall hold the office till the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company whose office shall be liable to retire by rotation.”

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HEREWITH.

A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percentage of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percentage of the total share capital the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

- b) Members/ Proxies should fill the Attendance Slip for attending the meeting and bring their Attendance Slip along with their copy of the annual report to the meeting.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 26, 2016 to Thursday, September 29, 2016 (both days inclusive).
- d) Corporate members are requested to send duly certified copy of the Board resolution/authority letter, authorizing their representative(s) to attend and vote on their behalf at the meeting.
- e) The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013, in respect of the special business- es set out is annexed hereto.
- f) All documents referred to in the notice are open for inspection at the registered office of the Company during business hours on any working day upto the date of the meeting and will also be available at the meeting venue on the date of the meeting.

Every member entitled to vote at a meeting of the Company, or on any resolution to be moved thereat, shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' notice in writing of the intention so to inspect is given to the Company.

- g) Members desirous of obtaining any information concerning the accounts and operation of the Company requested to send their query to the Company at least 10 days before the date of the Annual General Meeting so that any information required by the members may be made available at the meeting.

- h) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.
- i) The Company has a dedicated E-mail address secretarial@shrigangindustries.com for members to mail their queries or lodge complaints, if any. We will endeavor to reply to your queries at the earliest. The Company's website www.shrigangindustries.com has a dedicated section on Investors.
- j) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares can submit their PAN details to the Company/RTA.
- k) Member(s) who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc. from the Company electronically.
- l) Member(s) may also note that the Notice of the Meeting and the Annual Report for the Financial Year 2015-16 will also be available on the Company's website www.shrigangindustries.com for download.
- m) Pursuant to Section 72 of the Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
- n) In case of joint holders, only such joint holder who is name first in the order of names will be entitled to vote.
- o) As per Section 118(10) of the Companies Act, 2013 read with Secretarial Standards for general meeting issued by the Institute of Companies Secretaries of India "No gifts, gift coupons or cash in lieu of gifts shall be distributed to members at or in connection with the meeting".
- p) The Company has recently been allotted ISIN (INE241V01018) by CDSL for dematerialization of the company's shares. We hereby request all the members to get their shares dematerialized.

Voting Options:

The business set out in the Notice of the AGM may be transacted through electronic voting system from a place other than the venue of the meeting (remote e-voting) or through Polling Paper at the AGM. Information relating to e-Voting facility and voting at the AGM is given below:

(1) Voting through electronic means

- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015), the Company is pleased to provide facility to the members to exercise their right to vote on resolutions proposed to be considered at AGM by electronic means and the items of business given in the Notice of the AGM may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by CDSL.
- II. The facility for voting through poll shall be made available at the meeting and the member(s) attending the meeting who have not cast their vote by remote e-voting shall be entitled to cast their vote at the meeting through poll. No voting by show of hands will be allowed at the Meeting. Please note that the member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting
- III. Members who have cast their vote by remote e-Voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-Voting period commences at 10:00 a.m. on Monday, September 26, 2016 and ends at 5:00 p.m. on Wednesday, September 28, 2016. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of Thursday, September 22, 2016 ("**Cutoff date**"), may cast their vote by remote e-Voting. No remote e-Voting shall be allowed beyond the aforesaid date and time and remote e-Voting module shall be disabled by CDSL upon expiry of aforesaid period. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The instructions for remote e-Voting are as under:
 - A. In case of members receiving an e-mail from CDSL**
 - i. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - ii. Click on "Shareholders" tab.

- iii. Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- iv. Now enter your User ID;
 - a. For CDSL: 16 digits beneficiary Id,
 - b. For NSDL: 8 Character DP Id followed by 8 Digits Client Id,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v. Next enter the Image Verification as displayed and Click on Login.
- vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

For members holding shares in Demat Form and Physical Forms

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. - In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demataccountor in the company records for the said demat account or folio. - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- viii. After entering these details appropriately, click on “SUBMIT” tab.
- ix. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of Shri Gang Industires and Allied Products Limited which is 160820015.
- xii. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiv. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xviii. Note for –Non Individual Shareholders and Custodians:

- Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

xix. In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

xx. Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

B. In case of members receiving physical copies of the Notice of the AGM

- (i) Initial Password, along with User ID and EVEN is provided at the bottom of Attendance Slip.
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xvi) above, to cast vote.

(2) Voting at AGM

The members who have not cast their vote by remote e-Voting can exercise their voting rights at the AGM via polling papers. The Company will make arrangements of Polling Papers in this regard at the AGM venue.

(3) Other Instructions

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and remote e-Voting user manual for Shareholders available at the Downloads section of www.evoting.cdsl.com or call at toll free no.: 1800-200-5533.
- II. If you are already registered with CSDL for remote e-Voting, you can use your existing User ID and Password for casting your vote.
- III. You can also update your mobile number and Email ID in the user profile details of the folio which may be used for sending future communication(s).
- IV. Voting rights (for voting through remote e-Voting as well as Polling Paper) shall be reckoned on the paid up value of the shares registered in the name of the members of the Company as on Cut-off date i.e. September 22, 2016.
- V. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of the AGM and holding shares as of the Cut-off date i.e. September 22, 2016, may obtain the User ID and Password by sending a request (alongwith Name, Folio No./ DP ID & Client ID, as the case may be and shareholding) at evoting@cdsl.co.in or RTA at beetalrta@gmail.com

However, if you are already registered with CDSL for remote e-Voting then you can use your existing User ID and Password for casting your vote. If you forgot your Password, you can reset your Password by using “Forgot User Details/ Password” option available on www.evoting.cdsl.com or contact CDSL on toll free no.: 1800-200-5533.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

- VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM through Polling Paper. A person who is not a member as on the Cut-off date should treat this Notice for information purpose only.
- VII. Mr. Deepak Kukreja, a Practicing Company Secretary (FCS No. 4140, C.P. No.: 8265) Partner, M/s DMK Associates, Company Secretaries, has been appointed as “Scrutinizer” to scrutinize the remote e-Voting and Poll process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available at the AGM for the same purpose.

- VIII. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- IX. The poll process shall be conducted and a report thereon shall be prepared in accordance with the provisions of the Companies Act, 2013 read with the relevant rules made there under. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s).
- X. The Scrutinizer, after scrutinizing the votes cast at the AGM and through remote e-Voting, will, not later than forty eight (48) hours of conclusion of the AGM, make a consolidated Scrutinizer's Report and submit the same to the Chairman or a person authorised by him in writing.
- XI. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.shrigangindustries.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him and the results shall also be communicated to the Stock Exchanges. The results shall be displayed at the Registered Office at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh.
- XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the 27th AGM scheduled to be held on Thursday, September 29, 2016.
- q) The route map of the venue for the Annual General Meeting is attached herewith.
- r) The relevant details of Directors proposed to be appointed/ reappointed, as required under Reg. 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 on General Meetings are also annexed as Annexure-A.

Place : New Delhi
Dated : 03.09.2016

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

J.K. Jain
Whole Time Director
DIN: 00120204
Address: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Mr. Syed Azizur Rahman was co-opted by the Board of Directors as an Additional Director (Non-executive) with effect from March 14, 2016 pursuant to Section 161(1) of the Companies Act, 2013. Mr. Syed Azizur Rahman holds office till the date of the ensuing Annual General Meeting.

Notice along with deposit of the requisite amount as stipulated under Section 160 of the Act has been received from a member intending to propose Mr. Syed Azizur Rahman as a candidate for the office of Director and all the documents related to present appointment are available for inspection at the meeting, and also such documents shall also be available for inspection in physical or in electronic form during business hours at the registered office of the company.

Except Mr. Syed Azizur Rahman, being an appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

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

Place : New Delhi
Dated : 03.09.2016

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

J.K. Jain
Whole Time Director
DIN: 00120204
Address: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING OF THE COMPANY (PURSUANT TO REG. 36 OF THE LISTING REGULATIONS AND SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS)

ITEM NO-2

Ms. Suchi Bahl

Ms. Suchi Bahl, aged 32 years, is MBA by qualification and a young entrepreneur managing her own boutique business since last 5 years. She is on the Board of the Company since February 13, 2015.

She also holds directorships in the following companies:

- Suraj Industries Ltd
- LV Global Private Limited

During the period ended March 31, 2016, Ms. Suchi Bahl has attended the meeting of Board of Directors held on May 15, 2015.

Her tenure is liable to be retire by rotation at the forthcoming Annual General Meeting. The Board of Directors has already recommended for her appointment.

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

ITEM NO-4

Mr. Syed Azizur Rahman

Mr. Syed Azizur Rahman, aged 53 years, is a Mechanical Engineer. He has vast experience of over 28 years in manufacturing inclusive of 18 years as Unit Head/Business head. He is on the Board since March 14, 2016.

He also holds directorships in the following companies:

- Suraj Industries Ltd
- Gold Coin Marketing Private Limited

None of the Directors, Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise in the resolution.

Place : New Delhi

Dated : 03.09.2016

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

J.K. Jain

Whole Time Director

DIN: 00120204

**Address: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana**

Registered Office:

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

Directors' Report

To,
The Members,
Shri Gang Industries and Allied Product Limited

Your Directors are hereby present their Report on Company's Business Operations along with the Audited Statement of Accounts for the nine month period ended March 31, 2016.

FINANCIAL PERFORMANCE OF THE COMPANY

The financial performance of the Company for the period under review and comparative figures for the previous year are summarized below:

(in Rs.)

	2015-2016	2014-2015
Income from Operations	-	-
Other Incomes	21,195	132,067,98*
Profit/(Loss) before Depreciation & Extra-Ordinary Items	(17,91,184)	1,23,80,312
Depreciation	(2,400,511)	(3,200,681)
Prior Period Expenses	(20,91,233)	(8,640,990)
Net Profit (Loss) after depreciation before tax	(6,282,928)	538,641
<u>Provision for Taxation</u> Income Tax	-	-
Net Profit/(Loss) after tax for the year	(6,282,928)	538,641

*Including a sum of Rs. 13,079,996 towards credit balances written off.

PERFORMANCE OF BUSINESS:

During the nine month period ended, the Company has incurred loss of Rs. 6,282,928 as compared to profit of Rupees 538,641 in last year.

FINANCIAL YEAR

The company was following financial year which started on 1st July and ended on 30th June every year. As per the provisions of Section 2(41) of the Companies Act, 2013, every company had to adopt financial year beginning from 1st April and ending on 31st March within 2 years of the applicability of this Section. In compliance of the provisions of this Section the company has changed its accounting year to begin on 1st April and end on 31st March with the approval of the members of the company in the annual general meeting held on 30.12.2015. Consequent to the change in the financial year, the present financial statements have been prepared for the period July 1, 2015 to 31.03.2016.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The members are aware that due to adverse market conditions, the management of the company had suspended its manufacturing activities at the factory effective from 25th March 2010 and accordingly declared "lay-off" for indefinite period. The Market conditions are now stable and the Company has submitted a Modified Rehabilitation Scheme to Hon'ble BIFR and based on that the Company shall resume its manufacturing operating.

DIVIDEND

Due to the present financial position, your Directors are unable to recommend any dividend for the year under review.

AMOUNTS TRANSFERRED TO RESERVES:

Due to inadequate profits, the company has not transferred any amount to reserves.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 152 of the Companies Act, 2013 and in accordance with provisions of Articles of Association of the Company, Mrs. Suchi Bahl, Director of the Company, is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mrs. Suchi Bahl is not disqualified under Section 164(2) of the Companies Act, 2013.

Mr. Syed Azizur Rahman has been appointed as Non-Executive Director on the Board of Directors of the Company w.e.f March 14, 2016. Your Board proposes to regularize him as Director of the Company.

Your Company was required to appoint Chief Financial Officer and whole time company secretary pursuant to Section 203 of the Companies Act, 2013 read with rule 8 of the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, however the position of CFO & company secretary is yet to be filled. As there is no business activities in the Company since March 2010, after suspension of manufacturing activity the working staffs including workers have left the company one by one. The management is trying their best to revive the Company but all depends upon the modified rehabilitation scheme which is currently under consideration of Hon'ble BIFR. Further the Company has appointed Shri Janeshwar Kumar Jain, Whole Time Director of the Company to fulfill the requirement of Section 203(1)(i) of the Companies Act, 2013 but Company has not been able to fulfill the requirement of Section 203(1)(ii) & 203(1)(iii) of the Companies Act, 2013 due to the above said reasons.

EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure A"

CORPORATE SOCIAL RESPONSIBILITY

The Company was not required to constitute corporate social responsibility committee pursuant to section 135 of the Companies Act, 2013.

DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATES COMPANY

The Company has no subsidiary/ Joint Venture and Associate Company during the year.

DIRECTORS RESPONSIBILITY STATEMENT

In terms of Section 134 (3) (c) & (5) of the Companies Act, 2013, the directors would like to state that:

- That in the preparation of the Annual Accounts for the nine month period ended March 31, 2016, the applicable

Accounting standards have been followed and that there are no material departures.

- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit or loss of the Company for the nine month period ended March 31, 2016.
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The accounts have been prepared following the going concern assumption.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial Position of your Company have occurred between the end of the financial year of the Company to which the financial statements relate and on the date of this report.

AUDITORS

M/s Tas Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and your Directors recommend their re-appointment. The company has received the requisite certificate from **M/s Tas Associates, Chartered Accountants** to the effect that their re-appointment, if effected, would be in accordance with the provisions of Section 139 (2) of the Companies Act, 2013 and Rules made there under.

AUDIT REPORT

The Auditor had pointed out certain remarks, which are replied by the Board of Directors hereunder:

Auditors Remark – 1

In the Auditor's Report under point (a) of matter of emphasis it has been stated that "With reference to note no 3 & 8, these accounts have been prepared without any provision of interest, if any, payable on the overdue amount of interest free loan in lieu of Trade Tax of Rs.446.00 lacs from PICUP. In the absence of any documentary evidences, we are not in a position to state / qualify whether any interest is payable on such amounts."

Board's Reply

The explanation of Directors on the above comment is as under:

The interest free loan received from PICUP in lieu of deferred Sales Tax was payable in F.Y. 2012-13. As per the original as well as modified rehabilitation scheme sanctioned by Hon'ble BIFR, no interest was payable by the Company on this Loan. However, due to continued losses the Company could not repay this amount as per schedule and has now again submitted a modified rehabilitation scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. Accordingly company has not provided for any interest on this amount as neither there is a demand nor it is payable.

Auditors Remark – 2

In the Auditor's report under point (b) of matter of emphasis it has been stated that "With reference to note no 4 & 8, these accounts have been prepared without any provision of interest, if any, payable to Government of UP on overdue principal amount of deferred Trade Tax amounting to Rs. 3016.09 lacs. In the absence of any documentary evidences pending BIFR proceedings, we are not in a position to state / qualify whether any interest shall be payable on such amounts.

Board's Reply

The explanation of Directors on the above comment is as under:

The Company was allowed deferment of Trade Tax/VAT by Hon'ble BIFR in pursuance to Rehabilitation Scheme sanctioned on 22/4/2002 and modified rehabilitation scheme sanctioned on 19/10/2006. As per the modified rehabilitation scheme the Company was required to repay the deferred taxes w.e.f 1/7/2011. As per the original as well as modified rehabilitation scheme no interest was payable by the Company on these deferred amounts. However, due to continued losses the Company could not repay this amount as per schedule and has now again submitted a modified Rehabilitation Scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. Accordingly company has not provided for any interest on this amount as neither there is a demand nor it is payable.

Auditor Remarks-3

In the Auditor's Report under point (c) of matter of emphasis it has been stated that "With reference to Note no. 22 that the company suspended its manufacturing activities since 25.03.2010 and accordingly declared 'lay off' for indefinite period and board has not yet made out any detailed plan. Such long suspended activities coupled with the fact that the company's accumulated losses have exceeded its net worth, indicates the existence of a material uncertainty about the company's ability to recommence its operations and severally affecting the 'going concern assumption'. However, these accounts

have been prepared by the management on 'going concern assumption' in view of the pending reference before BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 as explained in the said note 22.

Board's Reply

The explanation of Directors on the above comment is as under:

The Company was declared a sick industrial company in May, 2001 by the Hon'ble Board for Industrial and Financial Reconstruction. The management is putting their best efforts to revive the operations of the Company. However due to continued losses and erosion of working capital, the Company had to suspend its production activities and the workers are laid off w.e.f. March 25, 2010. Hon'ble BIFR is in the process of formulating a modified rehabilitation scheme for the company. IDBI, the Operating Agency on the instructions of the BIFR has conducted a Techno Economic Viability Study (TEVS). As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State. Therefore, in the opinion of the Directors the operations of the company can be recommenced and accordingly the accounts have been prepared on the Going Concern Assumption.

Auditor Remarks-4

In the Auditor's Report under point (1) of Basis for Qualified Opinion it has been stated that "Attention is drawn that the inventories of Rs.135.13 lacs includes Stores, Spares & Packing Material, which in the absence of physical verification may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and current assets are shown in excess of Rs.135.13 lacs".

Board's Reply

The explanation of Directors on the above comment is as under:

As mentioned in the foregoing paragraph, a modified rehabilitation scheme is being submitted to Hon'ble BIFR based on the Techno Economic Viability Study which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and makes them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Therefore, in the opinion of the Directors the operations of the company can be recommenced. All these items of stores, spares and packing material have been stored properly and shall be consumed once the operations are re-started. Therefore, no provision for any impairment has been made.

Auditor's Remark-5

In the Auditor's Report under point (2) of Basis for Qualified Opinion it has been stated that "Attention is drawn that the Capital Work in Progress of Rs.9.96 lacs, which has not yet been completed and commissioned, may not be realizable at the values shown in these financial statements and for which

no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and non-current assets are shown in excess of Rs. 9.96 lacs."

Board's Reply

The explanation of Directors on the above comment is as under:

As mentioned in the foregoing paragraph, a modified rehabilitation scheme is being submitted to Hon'ble BIFR based on the Techno Economic Viability Study which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and make them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Therefore, in the opinion of the Directors the operations of the company can be recommenced. Once the company recommences its operation, the pending Capital work would be completed and the amount of Rs. 9.96 lacs shown as "Capital Work in Progress" would be accordingly capitalized.

Auditors Remark -6

In the Auditor's Report under point (3) of Basis for Qualified Opinion it has been stated that "Interest on unpaid overdue Public Deposits of Rs.30.00 lacs for the year has not been provided for amounting to Rs. 2.25 lacs (accumulated Rs.17.25 lacs approx. up to date of Balance Sheet). Accordingly loss for the current year and accumulated losses are less and current liabilities are also less by Rs. 17.25 lacs."

Board's Reply

The explanation of Directors on the above comment is as under:

Due to the erosion in the net worth and continuous losses, the company has not been able to pay interest on the deposit. The company would seek waiver of the interest in terms of the modified rehabilitation scheme that is under consideration of Hon'ble BIFR.

Auditor's Remark-7

In the Auditor's Report under point (4) of Basis for Qualified Opinion it has been stated that "Charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges amounting in aggregate to Rs 2012.72 lacs levied by Paschimanchal Vidyut Vitran Nigam has not been provided for in these accounts as referred in Note 4 and Note 20. Accordingly the losses for the current year and accumulated losses are shown less and current liabilities are also shown lesser by Rs.2012.72 lacs."

Board's Reply

The explanation of Directors on the above comment is as under:

The company has submitted a modified rehabilitation proposal in which it has requested for the reversal of the interest charged by Paschimanchal Vidyut Vitran Nigam and for the waiver of the minimum demand charges amounts to Rs. 241.83 Lacs as it pertains to the period when the power supply to the unit was

disconnected. Moreover, the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. This amount is Rs. 1770.89 Lacs. Accordingly company has not provided for this liability although it is shown as Contingent Liability.

Auditors Remark -8

In the Auditor's Report under point (5) of Basis for Qualified Opinion it has been stated that "In the absence of adequate documentation and documentary proofs, we are unable to comment whether there is any impairment in the value of the fixed assets due to efflux of time and suspension of manufacturing activities since March 2010 and requirement of provision for the same, which might be required to be provided for. In the absence of adequate records and any proofs of physical verification, the discrepancies, realizable/salvage value, the impact of impairment cannot be ascertained."

Board's Reply

The explanation of Directors on the above comment is as under:

Since the manufacturing operations have been suspended, the entire plant has been put under lock and key and periodically the plant is opened to check the condition and the physical status of the machinery and equipment's. In the opinion of Board of Directors there is no deterioration in the condition of Plant & Equipment's requiring for any provision for impairment.

Auditors Remark-9

At Para 1 (a) & (b) of Annexure A of the Auditor's Report it has been stated that

- "a) In view of the suspended manufacturing activities by the company since March 2010, we are unable to state whether the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained and informed to us that the manufacturing activities of the company are suspended since March 2010 and the Management has stated to have carried out the physical verification of part of the fixed assets during the year under consideration. In the absence of adequate documents, we are unable to comment whether such physical verification of the fixed assets was carried out or the frequency of such physical verification was reasonable having regard to the size of the company and the nature of its fixed assets. In absence of any such record of physical verification, the discrepancies, if any, between the physical assets and the book records are not ascertainable."

Board's Reply

The explanation of Directors on the above comment is as under:

Since the manufacturing operations have been suspended, the entire plant has been put under lock and key and periodically the plant is opened to check the condition and the physical status of the machinery and equipment's.

Auditor's Remark-10

At Para 2 (a) & (b) of Annexure A of the Auditor's Report it has been stated that:

- "(a) Since the company has suspended its activities since March 2010 and in the absence of adequate documentary evidence, we are unable to state whether the company has carried out physical verification of its inventories and at reasonable intervals. We are unable to comment whether the frequency of physical verification is reasonable.
- b) In absence of any records for physical verification of inventories, the discrepancies, if any, between the physical stock and the book records are not ascertainable."

Board's Reply

The explanation of Directors on the above comment is as under:

Since the manufacturing operations have been suspended, the stores and godowns have been put under lock and key and periodically these godowns are opened to check the condition and the physical status of the inventories.

Auditors Remark -11

At Para 5 of Annexure A to the Auditor's Report it has been stated that "The Company has not accepted any deposits from the public except in relation to a sum of Rs 6.14 lacs as advance from customers outstanding for more than 365 days which is not in compliance of sections 73 and 74 of the Act. According to the information and explanation given to us, the Company has also not complied with the provisions of section 73 and 74 of the Act and the rules framed there under so far as applicable to the repayment of principal amount and interest on due dates or the renewal thereof in respect of overdue public deposit of Rs.30 lacs."

Board's Reply

As regards, advance of Rs 6.14 lacs from customer, the company has forfeited advance of Rs 6.14 lacs due to non-compliance of the terms of the contract.

As regards unsecured loan of Rs 30 lacs, at the time of the acceptance of deposit the company had duly complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. However, due to the erosion in the net worth and continuous losses, the company has not been able to pay interest on the deposit w.e.f. 01.07.2010. The company would seek waiver of the interest and reschedulement of the repayment terms in pursuance to the modified rehabilitation scheme that is under consideration of Hon'ble BIFR.

Auditors Remark -12

Para 7(a) of Annexure A to the Auditor's Report it has been stated that "According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have gener-

ally been regularly deposited with the appropriate authorities, to the extent applicable to it. Further, no undisputed amounts payable in respect thereof were in arrears at the year-end for a period of more than six months from the date they became payable; except the following:

- (i) Deferred Trade Tax/ Vat amounting to Rs.3016.09 lacs (Previous year Rs.3016.09 lacs) in terms of order of BIFR for the rehabilitation. Refer note no. 22 of these financial statements.
- (ii) Excise Duty amounting to Rs 15.68 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR.
- (iii) Penalty on Excise Duty amounting to Rs 15.68 lacs for which the company has requested for waiver as per the rehabilitation proposal submitted to BIFR
- (iv) Employees' State Insurance amounting to Rs 4.21 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR.

Board Reply

The Company has requested for further time for repayment of these dues as per the modified rehabilitation scheme submitted to Hon'ble BIFR. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which further time is being given for the payment of the past over dues.

Auditors Remark -13

Para 7(a) of Annexure A to the Auditor's Report it has been stated that "Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has defaulted in repayment of dues to PICUP in terms of the rehabilitation plan sanctioned by BIFR and an amount of Rs. 446 lacs was overdue and which is not yet paid by the company in view of the Modified Rehabilitation Scheme submitted by the company to BIFR seeking more time for the repayment"

Board Reply

The interest free loan received from PICUP in lieu of deferred Sales Tax was payable in F.Y. 2012-13. As per the original as well as modified rehabilitation scheme sanctioned by Hon'ble BIFR, no interest was payable by the Company on this Loan. However, due to continued losses the Company could not repay this amount as per schedule and has now again submitted a modified rehabilitation scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which further time is being given for the payment of the past overdues.

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Ms. Monika Kohli, Company Secretary in Practice to un-

dertake the Secretarial Audit of the Company for the Financial Year ended March 31, 2016.

The Secretarial Audit Report in prescribed form MR-3 for the Financial Year ended March 31, 2016 forms part of the Annual Report as "**Annexure B**" to the Board Report.

The Secretarial Auditor had pointed out certain remarks in its report, which are replied by the Board of Directors hereunder:

Secretarial Auditors Remark – 1

The Company was required to appoint Internal Auditor as per the section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rule 2014. However, it is observed that no Internal Auditor has been appointed by the Company.

Board's Reply

The operation of the Company was suspended w.e.f March 25, 2010 and since then there is no activity in the Company. In view of this the Company did not appoint any internal auditor. However, the internal controls were adequately exercised keeping in view the volume of transactions during the year and the same was noted and taken on record by the Board at its Board Meeting held on May 30, 2016.

Secretarial Auditors Remark – 2

The Company was required to appoint Managing Director/ Manager/Chief Executive Officer/Whole-time Director and Chief Financial Officer and Company Secretary (as prescribed under section 203 of the Companies Act, 2013 read with rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. However Chief Financial Officer and Company Secretary have not been appointed by the company. As per information provided, the company has received the show cause notice No. TC /203/383A/11004/489-490 No. dated 15.04.2015 and TC/203/11004/673 dated 05.05.2016 respectively u/s 203 of the Act from Registrar of Companies, UP & Utrakhand, Kanpur and the company has sent the reply to the said show cause notice.

Board's Reply

As stated in the Directors Report there is no business activities in the Company since March 2010, further after suspension of manufacturing activity the working staffs including workers have left the company one by one. The management is trying their best to revive the Company but all depends upon the modified rehabilitation scheme which is currently under consideration of Hon'ble BIFR. Shri Janeshwar Kumar Jain, was appointed as Whole Time Director of the Company to fulfill the requirement of Section 203(1)(i) of the Companies Act, 2013 but Company has not been able to fulfill the requirement of Section 203(1)(ii) & 203(1)(iii) of the Companies Act, 2013 due to the above said reasons.

Secretarial Auditors Remark – 3

The Trading in equity shares of the Company had been suspended by the BSE Limited vide suspension Notice no. 20120917-21 dated September 17, 2012 & letter no. DCS/COMP/AJ/SUS/523309/179/2012-13 dated September 17, 2012 respectively due to Non-compliance of the various clauses of the Listing Agreement. The Company has made certain

pending compliances during the year and has submitted its reply to the BSE Limited, however approval of resumption of trading in equity is yet to be received from the BSE Limited.

Board's Reply

The Company has been suspended due to non-payment of listing fees & certain non-compliance of listing agreement. The Company has since then paid the listing fees that was due and has completed the pending compliances and submitted all the documents with BSE for revocation of suspension of trading. The Company is constantly following up with BSE Limited for resumption of trading in share activities.

Secretarial Auditors Remark – 4

The Company had received a deposit of Rs.30 Lacs before the commencement of the Act for which no interest as well repayment was made during the year as per Section 73 and 74 of the Act.

Board's Reply

At the time of the acceptance of deposit the company had duly complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. However, due to the erosion in the net worth and continuous losses, the company has not been able to pay interest on the deposit w.e.f. 01.07.2010. The company would seek waiver of the interest and reschedulement of the repayment terms in pursuance to the modified rehabilitation scheme that is under consideration of Hon'ble BIFR.

Secretarial Auditors Remark – 5

The Company has signed the tripartite agreement with CDSL and Registrar to the Company and the ISIN INE241V01010 has been allotted by the CDSL on 05.07.2016. Further, company is yet to sign the tripartite agreement with NSDL for ISIN.

Board's Reply

Your company is in the process of obtaining ISIN from NSDL. The Company has recently sent the tripartite agreement to be executed amongst NSDL and M/s Beetal Financial Services Private Limited, the Registrar & Share Transfer Agent of the Company to NSDL on August 01, 2016. The ISIN would be received shortly.

Secretarial Auditors Remark – 6

It is observed that the promoter's 100% equity shares in the company are in physical form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).

Board's Reply

The Company has recently been allotted ISIN by CDSL for dematerialization of the Company's Shares. The Company is also in the process of obtaining ISIN from NSDL. The Company is making request to all the shareholders including promoters through notice of ensuing Annual General Meeting which is being sent to all the shareholders and also will make necessary through public notice requesting members to dematerialize their shares.

Secretarial Auditors Remark – 7

As per regulation 17(8) of LODR (Earlier clause 49 of Listing Agreement), the Company is required to obtain certificate from CEO/ CFO, however it observed that said certificate has been obtained from the whole time Director of the Company.

Board's Reply

As the Company is registered with BIFR and its manufacturing operations is suspended since 25th March, 2010 and it doesn't have any CEO/CFO, Mr. J.K. Jain, Whole Time Director of the Company has submitted certificate, in terms of **Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**, to the Board.

Secretarial Auditors Remark – 8

As per Rule 20 of the Companies (Management & Administration) Rules, 2014 read with Secretarial Standards, Notice of General Meeting, wherein the facility of e-voting is provided is required to be sent through either by Registered Post or speed post or by courier or by email or by any other electronic means, however it is observed that notice of last Annual General Meeting wherein the E-voting facilities was given to members was sent through ordinary post.

Board's Reply

As the Company is registered with BIFR and its manufacturing operations are suspended since 25th March, 2010 and therefore there was no liquidity in the company due to which the notice of last Annual General Meeting was sent through ordinary post. The Management is taking all out efforts to revive the Company. Further modified rehabilitation scheme is under consideration of Hon'ble BIFR. Your management will ensure its compliance in future.

SHARE CAPITAL

During the year, there has been no change in the authorised, subscribed and paid-up share capital of the Company. As at March 31, 2016, the paid-up share capital stood at Rs. 7,93,00,000/-comprising of 79,30,000 equity shares of 10/- each.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The manufacturing activities of the company have been suspended since March 2010 and the Company doesn't have any material numbers of financial transactions. However, the internal controls were adequately exercised keeping in view the volume of transactions during the year and the same was noted and taken on record by the Board at its Board Meeting held on May 15, 2015.

NUMBER OF BOARD MEETING

During the Financial Year 2015-16, Six Board meetings were held during the year. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015. The details of all Board/Committee meetings held are given in the Corporate Governance Report.

CORPORATE GOVERNANCE DISCLOSURES

As a responsible corporate citizen, the Company is committed to maintain the highest standards of Corporate Governance and believes in adhering to the best corporate practices prevalent globally.

A detailed report on Corporate Governance is attached as **Annexure "C"**. A certificate from a Practising Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Clause C of Schedule V of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**, is attached to the Corporate Governance Report.

Your Company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect.

CODE OF CONDUCT:

In compliance with Regulation 26(3) of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015** and the Companies Act, 2013, the Company has framed and adopted a code of conduct. The code is applicable to the members of the Board and all employees of the Company.

The Board Members have affirmed compliance with the Code of Conduct for the nine month period ended March 31, 2016.

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The company is not required to form "Internal Complaints Committee" under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as the Number of workers were less than 10 during the period under review.

DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT

The Company has received necessary declaration from each independent directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 146(6) of Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

MEETING OF INDEPENDENT DIRECTORS

In terms of requirements under Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**, a separate meeting of the Independent Directors was held on March 14, 2016.

The Independent Directors at the meeting reviewed the following:-

- Performance of non-independent Directors and Board as a whole.
- Performance of Chairperson of the Company.
- Assess the quality, quantity and time lineless of flow of information between the management of the listed entity and the board of directors that is necessary for the board

of directors to effectively and reasonably perform their duties.

COMMITTEE

Pursuant to requirement under Companies Act, 2013 and **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**, the Board of Directors has constituted the following Committees:

1. Audit Committee,
2. Nomination & Remuneration Committee and
3. Stakeholders Relationship Committee.

The details of composition and terms of reference of these committees are mentioned in the Corporate Governance Report.

NOMINATION & REMUNERATION POLICY

The Company has framed a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Act read with Regulation 19 and Part D of Schedule II of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**. The Policy is attached as **Annexure D**.

PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has neither made any investment(s) nor given any loan(s) or guarantee(s) or provided any security which is covered under the provisions of Section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENT MADE WITH RELATED PARTIES

During the year, the Company had not entered into any contract, arrangement and transaction with related parties which could be considered material in accordance with the Company's Policy on materiality of and dealing with related party transactions (the "Policy") and accordingly the disclosure of Related Party Transactions in Form AOC-2 is not applicable.

LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 1, 2015. Accordingly, all listed entities were required to enter into the Listing Agreement within six months from the effective date. The Company has entered into Listing Agreement with BSE Limited on February 24, 2016.

DEPOSITS

During the year, the company has not accepted any deposits from public. However due to the erosion in the net worth of the company, the company has not been able to pay the principal amount and interest on due dates in respect of deposit of Rs. 30 Lacs taken from specified persons in earlier years.

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

The Company is not engaged in any activity where conservation of energy and technology absorption is required. Further, during the period under review there were no foreign exchange earnings or outgo. Hence the details required under Section 134(3) (m) of the Companies Act 2013 read with rule 8(3) Companies (Accounts) Rule, 2014 are not given.

RISK MANAGEMENT

The Company has in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. Board has prepared & implemented Risk Management Policy which is reviewed and monitored on regular basis, to identify and review critical risks.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees and Stakeholder Relationship Committee. The evaluation was carried out on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its shareholders etc.

The Directors expressed their satisfaction with the evaluation process.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of your company during the year under review.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

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

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Board has approved the Vigil Mechanism/Whistle Blower Policy, a mechanism for all Directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The mechanism also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy act as a neutral and unbiased form to voice concerns in a reasonable and effective manner without fear of reprisal. The policy is disclosed on Company's website (Web Link: <http://www.shrigang-industries.com/policy.html>)

During the year under review no personnel has been denied access to the audit committee.

PARTICULARS OF MANAGERIAL REMUNERATION AND EMPLOYEES

1. Disclosure in terms of Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

Notes:-

- During the year under review no remuneration was paid to CFO, Executive and Non-Executive Director of the Company.
- In view of the above no other disclosure required in terms of Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 was applicable.

2. Disclosure in terms of Rule 5 (2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

There was no employee who has drawn salary as mentioned in the aforesaid rule.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management discussion and analysis is set out in this Annual Report as **Annexure E**.

INDUSTRIAL RELATIONS

The operation of the Factory has been suspended with effect from March 25th 2010 as mentioned above and accordingly there was no employee in the factory during the year.

ACKNOWLEDGEMENTS

Your Directors would like to express their gratitude and appreciation for the assistance and cooperation received from the Banks during the year under review.

Your Directors also place on record their deep sense of appreciation for the devoted services rendered by all the employees of the company and for the continued co-operation & support received from shareholders of the Company.

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

Place: New Delhi
Date: 03.09.2016

J.K. Jain
Chairman & Whole Time Director
DIN: 00120204

Add: Flat No. 001, Tower 8
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

FORM NO. MGT 9**EXTRACT OF ANNUAL RETURN**

As on nine month period ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L01112UP1989PLC011004
2.	Registration Date	02/08/1989
3.	Name of the Company	SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED
4.	Category/Sub-category of the Company	Company Limited By Shares.Indian Non-Government Company.
5.	Address of the Registered office & contact details	A-26 UPSIDC Industrial Area Sikandrabad, Bulandshahar, Uttar Pradesh secretarial@shrigangindustries.com
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD. Beetal House, 3 rd Floor, 99Madangir, B/H Local Shopping Centre, New Delhi-110062.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
	At present the Company has no active business operations	N.A.	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:- N.A**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 30-June-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/ HUF	NIL	1330500	1330500	16.78	NIL	1822380	1822380	22.98	6.20
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	NIL	610000	610000	7.69	NIL	445000	445000	5.61	(2.08)
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	641880	641880*	8.09	NIL	NIL	NIL	Nil	(8.09)
Sub- total (A) (1):-	NIL	2582380	2582380	32.56	NIL	2267380	2267380	28.59	(3.97)
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs –Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other- Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Any other.....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub- total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Total Shareholding of Promoter A = (A)(1)+(A)(2)	NIL	2582380	2582380	32.56	NIL	2267380	2267380	28.59	(3.97)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	126400	126400	1.59	NIL	126400	126400	1.59	NIL
b) Banks / FI	NIL	53100	53100	0.67	NIL	53100	53100	0.67	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	179500	179500	2.26	NIL	179500	179500	2.26	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	NIL	1759200	1759200	22.18	NIL	1759200	1759200	22.18	NIL
ii) Overseas	NIL	5000	5000	0.06	NIL	5000	5000	0.06	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	NIL	2507410	2507410	31.62	NIL	2507410	2507410	31.62	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	895210	895210	11.29	NIL	1210210	1210210	15.26	3.97
c) Others - NRI	NIL	1300	1300	0.01	NIL	1300	1300	0.01	NIL
Sub-total (B)(2):-	NIL	5168120	5168120	65.17	NIL	5483120	5483120	69.14	3.97
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	5347620	5347620	67.44	NIL	5662620	5662620	71.41	3.97
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	7930000	7930000	100.00	NIL	7930000	7930000	100.00	NIL

*This has been added in A. (1) (a) at the end of the year.

ii) **Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anita Gupta	145180	1.83	NIL	145180	1.83	NIL	NIL
2	Mother Mira Industries Limited	250000	3.15	NIL	250000	3.15	NIL	NIL
3	Suraj Gupta	200240	2.53	NIL	200240	2.53	NIL	NIL
4	Rajesh Gupta	139800	1.76	NIL	NIL	NIL	NIL	(1.76)

5	J.K. Jain	138000	1.74	NIL	138000	1.74	NIL	NIL
6	Vikas Gupta	130000	1.64	NIL	130000	1.64	NIL	NIL
7	Ritesh Gupta	130000	1.64	NIL	269800	3.40	NIL	1.76
8	Anju Arora	125000	1.58	NIL	125000	1.58	NIL	NIL
9	Rakesh Dutta	115000	1.45	NIL	115000	1.45	NIL	NIL
10	Almondz Global Securities Limited (Formerly Allianz Securities Limited)	100000	1.26	NIL	100000	1.26	NIL	NIL
11	Ashok Gupta	98825	1.25	NIL	98825	1.25	NIL	NIL
12	Nishi Arora	96400	1.22	NIL	96400	1.22	NIL	NIL
13	Shailesh Gupta	95325	1.20	NIL	95325	1.20	NIL	NIL
14	Universal Share Trading Co Ltd	95000	1.20	NIL	95000	1.20	NIL	NIL
15	Ajay Gupta	94500	1.19	NIL	94500	1.19	NIL	NIL
16	Sidhartha Gupta	92000	1.16	NIL	92000	1.16	NIL	NIL
17	Standard Polymers Limited	71000	0.90	NIL	NIL	NIL	NIL	(0.90)
18	Parveen Kumari	66300	0.84	NIL	66300	0.84	NIL	NIL
19	Kusam Lata	110000	1.39	NIL	110000	1.39	NIL	NIL
20	Hemraj Raj Baid	50000	0.63	NIL	NIL	NIL	NIL	(0.63)
21	Maurya Holdings Pvt Ltd	50000	0.63	NIL	NIL			NIL
22	Ramesh Gupta	45800	0.58	NIL	45800	0.58	NIL	NIL
23	Standard Finhold Pvt Ltd	30000	0.38	NIL	NIL	NIL	NIL	(0.38)
24	Shri Lal Vijay Kumar Bagla (HUF)	27500	0.35	NIL	NIL	NIL	NIL	(0.35)
25	Sarwan Kumar Bagla	22500	0.28	NIL	NIL	NIL	NIL	(0.28)
26	Jokhiram Radheshyam Mandwewala (HUF)	22000	0.28	NIL	NIL	NIL	NIL	(0.28)
27	Aruna Surana	17500	0.22	NIL	NIL	NIL	NIL	(0.22)
28	SKA Investments Pvt Ltd	14000	0.18	NIL	NIL	NIL	NIL	(0.18)
29	Manju Devi Aggarwal	10500	0.13	NIL	NIL	NIL	NIL	(0.13)
30	Vinod Gupta	10	0	NIL	10	0	NIL	NIL

iii) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh Gupta				
	At the beginning of the year	139800	1.76	139800	1.76
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year: Transfer on 15.07.2015	139800	1.76	-	-
	At the end of the year	-	-	-	-
2.	Ritesh Gupta				
	At the beginning of the year	130000	1.64	130000	1.64
Add:	Date wise Increase / Decrease in Promoters Shareholding during the year: Transfer on 15.07.2015	139800	1.76	269800	3.40
	At the end of the year			269800	3.40

3.	Standard Polymers Limited				
	At the beginning of the year	71000	0.90	71000	0.90
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	71000	0.90	-	-
	At the end of the year	-	-	-	-
4.	Hemraj Raj Baid				
	At the beginning of the year	50000	0.63	50000	0.63
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	50000	0.63	-	-
	At the end of the year	-	-	-	-
5.	Maurya Holdings Pvt Ltd				
	At the beginning of the year	50000	0.63	50000	0.63
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	50000	0.63	-	-
	At the end of the year	-	-	-	-
6.	Standard FinholdPvt Ltd				
	At the beginning of the year	30000	0.38	30000	0.38
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	30000	0.38	-	-
	At the end of the year	-	-	-	-
7.	ShriLal Vijay Kumar Bagla (HUF)				
	At the beginning of the year	27500	0.35	27500	0.35
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	27500	0.35	-	-
	At the end of the year	-	-	-	-
8.	Sarwan Kumar Bagla				
	At the beginning of the year	22500	0.28	22500	0.28
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	22500	0.28	-	-
	At the end of the year	-	-	-	-
9.	Jokhiram Radheshyam Mandwewala (HUF)				
	At the beginning of the year	22000	0.28	22000	0.28
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	22000	0.28	-	-
	At the end of the year	-	-	-	-
10.	Aruna Surana				
	At the beginning of the year	17500	0.22	17500	0.22
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	17500	0.22	-	-
	At the end of the year	-	-	-	-

11.	SKA Investments Pvt Ltd				
	At the beginning of the year	14000	0.18	14000	0.18
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	14000	0.18	-	-
	At the end of the year	-	-	-	-
12.	Manju Devi Aggarwal				
	At the beginning of the year	10500	0.13	10500	0.13
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year:Transfer on 15.07.2015	10500	0.13	-	-
	At the end of the year	-	-	-	-

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Prudent Breweries & Distilleries Private Limited				
	At the beginning of the year	390000	4.92	390000	4.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	390000	4.92	390000	4.92
2.	Global Spirits Private Limited				
	At the beginning of the year	390000	4.92	390000	4.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	390000	4.92	390000	4.92
3.	VRV Foods Limited				
	At the beginning of the year	390000	4.92	390000	4.92
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	390000	4.92	390000	4.92
4.	Sandeep Agrawal				
	At the beginning of the year	236000	2.98	236000	2.98
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	236000	2.98	236000	2.98
5.	Millennium Breweries and Allied Products Limited				
	At the beginning of the year	230000	2.90	230000	2.90

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	230000	2.90	230000	2.90
6.	Deepak Kukreja				
	At the beginning of the year	179800	2.26	179800	2.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	179800	2.26	179800	2.26
7.	CBK Financiers Private Limited				
	At the beginning of the year	176000	2.22	176000	2.22
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	176000	2.22	176000	2.22
8.	Somir Bhaduri				
	At the beginning of the year	-	-	-	-
Add:	Date wise Increase / Decrease in Promoters Shareholding during the year: Transfer on 15.07.2015	158000	1.99	158000	1.99
	At the end of the year	158000	1.99	158000	1.99
9.	Amit Kumar				
	At the beginning of the year	-	-	-	-
Add:	Date wise Increase / Decrease in Promoters Shareholding during the year: Transfer on 15.07.2015	157000	1.98	157000	1.98
	At the end of the year	157000	1.98	157000	1.98
10.	CRB Corporation Limited				
	At the beginning of the year	100000	1.26	100000	1.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year	100000	1.26	100000	1.26

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	J.K. Jain				
	At the beginning of the year	138000	1.74	138000	1.74
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	138000	1.74	138000	1.74

2.	Rajesh Gupta				
	At the beginning of the year	139800	1.76	139800	1.76
Less:	Date wise Increase / Decrease in Promoters Shareholding during the year: Transfer on 15.07.2015	139800	1.76	-	-
	At the end of the year	-	-	-	-

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	44,600,000	36,030,000	3,000,000	83,630,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	44,600,000	36,030,000	3,000,000	83,630,000
Change in Indebtedness during the financial year	-			
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-			
i) Principal Amount	44,600,000	36,030,000	3,000,000	83,630,000
ii) Interest due but not paid	-			
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	44,600,000	36,030,000	3,000,000	83,630,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: NIL

B. REMUNERATION TO OTHER DIRECTORS: NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGER/MD/WHOLE TIME DIRECTOR: NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

According to the records of the company and information and explanation, there are no dues of sales tax, income tax, custom duty, service tax, wealth tax, excise duty and cess on account of any disputes.

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

Place: New Delhi
Date: 03.09.2016

J.K. Jain
Chairman & Whole Time Director
DIN: 00120204

Add: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

To,
The Members,
M/s Shri Gang Industries and Allied Products Limited
CIN: L01112UP1989PLC011004
A-26, UPSIDC, Industrial Area,
Sikandarabad,
Bulandshar,
Uttar Pradesh,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016(Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings(ECB); **(No FDI, ODI and ECB was taken by the company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;**(Not applicable to the Company during the Audit Period)**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

The Company had suspended its production activities and the workers were laid off w.e.f. March 25, 2010, due to continued losses and erosion of working capital, also the company was declared Sick Industrial Company since May 2001 and currently the proceedings are pending with the Board of Industrial and Financial Reconstruction (BIFR), therefore no specific laws were applicable to the Company during the Financial Year as identified by the management.

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited
- (iii) Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. as mentioned above except:

1. *The Company was required to appoint Internal Auditor as per the section 138 of the Companies Act, 2013 read with rule 13 of Companies (Accounts) Rule 2014. However, it is observed that no Internal Auditor has been appointed by the Company.*
2. *The Company was required to appoint Managing Director/Manager/Chief Executive Officer/Whole-time Director and Chief Financial Officer and Company Secretary (as prescribed under section 203 of the Companies Act, 2013 read with rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014. However no Chief Financial Officer and Company Secretary have been appointed by the company. As per information provided, the company has received the show cause notice No. TC /203/383A/11004/489-490 No. dated 15.04.2015 and TC/203/11004/673 dated 05.05.2016 respectively u/s 203 of the Act from Registrar of Companies, UP & Utrakhand, Kanpur and the company has sent the reply to the same.*
3. *The Trading in equity shares of the Company had been suspended by the BSE Limited vide suspension Notice no. 20120917-21 dated September 17, 2012 & letter no. DCS/COMP/AJ/SUS/523309/179/2012-13 dated September 17, 2012 respectively due to Non-compliance of the various clauses of the Listing Agreement. The Company has made certain pending compliances during the year and has submitted its reply to the BSE Limited, however approval of resumption of trading in equity is yet to be received from the BSE Limited.*
4. *The Company had received a deposit of Rs.30 Lacs before the commencement of the Act for which no interest as well repayment was made during the year as per Section 73 and 74 of the Act.*
5. *The Company has signed the tripartite agreement with CDSL and Registrar to the Company and the ISIN INE241V01010 has been allotted by the CDSL on 05.07.2016. Further, company is yet to sign the tripartite agreement with NSDL for ISIN.*
6. *It is observed that the promoter's 100% equity shares in the company are in physical form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement), 2015 (LODR).*
7. *As per regulation 17(8) of LODR (Earlier clause 49 of Listing Agreement), the Company is required to obtain certificate from CEO/ CFO, however it observed that said certificate has been obtained from the whole time Director of the Company.*

Based on the information received and records maintained, we further report that

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act
2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

- a) Approval of Members in the Annual General Meeting held on 30.12.2015 for change of its financial year so as to end on 31st March every year in place of 30th June at present.

**For MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

Sd/-
(MONIKA KOHLI)
FCS, LL.B.
PARTNER
FCS 5480
C P 4936
Date: 03.09.2016
Place: New Delhi

“Annexure to Secretarial Audit Report”

To,
The Members,
**M/s Shri Gang Industries and Allied
Products Limited**
CIN: L01112UP1989PLC011004
A-26, UPSIDC, Industrial Area Sikandarabad
Bulandshar, Uttar Pradesh, Bulandshahr- UP

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2016 of even date is to be read with along with this letter

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The last financial year of the company was from July 1, 2014 to June 30, 2015. As per the provisions of Section 2(41) of the Companies Act, 2013, the financial year of every company shall be ending on 31st day of March every year and the company (s) having different financial year has to align its financial year within two years from the commencement of the Companies Act, 2013. In compliance of the provisions of this section the company has changed its financial year beginning on 1st day of April and ending on 31st day of March for which the approval of Members were obtained in the Annual General Meeting held on 30.12.2015. Consequent to the change, the annual accounts of the company was prepared for the financial year from 01.07.2015 to 31.03.2016 and the Secretarial Audit Report for the Financial Year ended March 31, 2016 has been prepared accordingly.
8. *As per Rule 20 of the Companies (Management & Administration) Rules, 2014 read with Secretarial Standards, Notice of General Meeting, wherein the facility of e-voting is provided is required to be sent through either by Registered Post or speed post or by courier or by email or by any other electronic means, however it is observed that notice of last Annual General Meeting wherein the E-voting facilities was given to members was sent through ordinary post.*

**For MONIKA KOHLI &ASSOCIATES
COMPANY SECRETARIES**

Sd/-
(MONIKA KOHLI)
FCS, LL.B.
PARTNER
FCS 5480
C P 4936

Date: 03.09.2016
Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

Annexure “C”

As per Listing Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, your Company is not required to comply with the Requirement of Para C, D and E of Schedule V. However, your Company is voluntarily complying with the requirements of Para C, D and E of Schedule V to the extent possible as a part of its good corporate governance practice.

A good Corporate Governance is a system by which Companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the Management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor’s confidence and commitment to the Companies. Your company has been practicing the principles of Good Corporate Governance for the last many years.

The Company has a mission to provide sustainable advanced solution and service to our customers, long term partnership with its investors, maximizing value to our stakeholders, clients, suppliers and its employees.

This has been articulated through the Company’s Code of Business Conduct and Ethics, Corporate Governance guidelines, charters of various sub-committees of the Company’s Disclosure policies. These policies seek to focus on enhancement of long term stakeholder’s value without comprising on Ethical Standards and Corporate Social Responsibilities.

1. COMPANY’S PHILOSOPHY

Company Philosophy on Corporate Governance is founded upon a rich legacy of fair ethical and transparent Governance practices, many of which were in place even before they were mandated by adopting highest standards of professionalism, honesty, integrity and ethical behavior.

The Company believes in adopting best practices in the area of corporate governance and follows the principles of full transparency and accountability by providing information on various issues concerning the Company’s business and financial performance to its shareholders. The

Company’s activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. The Company will continue to focus its resources, strengths and strategies to achieve growth in business.

The Board considers itself as the Trustee of its Shareholders. During the period under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

2. BOARD OF DIRECTORS

Composition of Board:

The Board of Directors as on Nine Month period ended March 31, 2016, consists of One Executive Director and Five Non-Executive Directors who have sufficient experience in their respective fields. In all the Board comprises of One (1) Executive Director, Three (3) Non-Executive Independent Directors, One (1) Professional Director and One (1) Non-Executive Non Independent Director.

Non-Executive Directors’ compensation and disclosures:

No remuneration or sitting fees has been paid to the Non-Executive Directors’. No stock options were granted to Non-Executive Directors or Independent Directors during the year under review.

Meeting of Board of Directors

There were 06 (Six) Board Meetings held during the nine period ended March 31, 2016. These were on 15.05.2015, 28.08.2015, 12.11.2015, 04.12.2015, 13.02.2016 and 14.03.2016.

The periodicity between two Board Meetings was within the maximum time gap as prescribed in the Listing Regulation / Companies Act, 2013.

The composition of the Board of Directors, their attendance at Board Meetings and last Annual General Meeting is as under:

Name of Directors	Category	No. of positions held in other Companies			Attendance at Board Meetings held during the year 2015-16	Attendance at last AGM
		Board	Committee			
			Membership	Chairmanship		
Shri J.K. Jain	Whole Time Director	3	1	2	6	Yes
Shri Narendra Singh Bisht	Non-Executive Independent Director	9	2	1	6	Yes
Shri Rajesh Kumar Gupta	Non-Executive Independent Director	-	-	-	6	No
Shri Gyan Chand Jain	Non-Executive Independent Director	-	-	-	1	No
Smt. Suchi Bahl	Non-Executive Non Independent Director	2	-	-	1	No
Shri Syed Azizur Rahman*	Non-Executive Non Independent Director	2	-	-	1	No

* Appointed w.e.f March 14, 2016

The last Annual General Meeting (AGM) was held on December 30, 2015.

None of the Directors of the Board serve as Members of neither more than 10 committees nor do they are Chairman of more than 5 committees as per the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Independent Directors

The Company has issued letter of appointment to all the Independent Directors and terms and conditions thereof have been disclosed on the website of the Company.

(Web link: <http://www.shrigangindustries.com/investor-relations.html>)

Familiarization Programs for Independent Directors

The Company has Familiarization Program for Independent Directors to familiarize them with regard to their roles, rights, responsibilities in the Company, alongwith industry, business operations, business model, code of conduct and policies of the Company etc. The Familiarization Program has been disclosed on the website of the Company.

(Web link: <http://www.shrigangindustries.com/investor-relations.html>).

3. AUDIT COMMITTEE

The Company has duly constituted an Audit Committee, the scope of which is in conformity with the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013. During the year, five Audit Committee meetings were held on 15.05.2015, 28.08.2015, 12.11.2015, 04.12.2015 and 13.02.2016. The Minutes of meetings of the Audit Committee are placed before the Board.

The composition of Audit Committee and the attendance of its members as on March 31, 2016 are as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2015-16
Shri Narendra Singh Bisht	Chairman	5
Shri Rajesh Gupta	Member	5
Shri J.K. Jain	Member	5

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

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;

- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters.
- To review the quarterly, half years and annual financial statements before submission to the Board for approval. To discuss the Auditors about internal control system and to consider their observations and follow-up.
- To ensure compliance of internal control system.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in :
 - Accounting policies and practices
 - Major accounting entries based on the exercise of judgment by management
 - Qualifications in the draft audit report
 - The going concern concept
 - Compliance with accounting standards
 - 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.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit functions.
- Discussions with internal auditors any significant finding and follow up there on.
- 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.
- 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.
- To investigate on any matter referred by the Board.

4. NOMINATION & REMUNERATION COMMITTEE

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations, read with Section 178 of the Act.

The broad terms of reference of the nomination and remuneration committee are as under:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, key managerial personnel, and other employees;
2. formulation of criteria for the evaluation of performance of Independent Directors and the Board of Directors;
3. devising a policy on the diversity of Board of Directors;
4. identifying individuals who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
5. deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. The criteria for the evaluation of Independent Directors include skills, experience and level of preparedness of the directors, attendance and extent of contribution to Board debates and discussion, and how the director leverages his / her expertise and networks to meaningfully contribute to the Company.

The composition of Nomination & Remuneration Committee as on March 31, 2016 is as follows:

Name of the Directors	Category	Attendance during the year
Shri Narendra Singh Bisht	Non-Executive Independent Director	1
Shri Gyan Chand Jain	Non-Executive Independent Director	1
Shri Rajesh Kumar Gupta	Non-Executive Independent Director	1

During the year, One Nomination and Remuneration Committee meeting was held on 14.03.2016.

Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations, the Board adopted Performance Evaluation Policy to evaluate performance of each Director, the Board as a whole, its Committees and the Chairperson. Evaluation is carried out by the Board, Nomination and Remuneration Committee and by the Independent Directors.

A structured questionnaire was prepared for the Directors considering various factors for evaluation including contribution to the Board work, domain expertise, strategic vision, industry knowledge, participation, effectiveness and quality of discussions etc.

Performance of the Board was evaluated by each Director on the parameters such as its roles and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner etc. Independent directors also carried out evaluation of the Board performance.

Board Committees were evaluated by the respective committee members on the parameters such as role and responsibilities, effectiveness of the Committee vis-a-vis assigned role, appropriateness of committee composition, timely receipt of information by the Committee, knowledge updation by the committee members etc.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters of demonstration of effective leadership, contribution to the Boards' work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings etc.

Directors were also evaluated individually by all other Directors (except the Director himself) on the parameters of his / her preparedness at the Board meetings, devotion of time and efforts to understand the Company and its business, quality in contributions at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board Members, Senior Management and Key Managerial Personnel. Nomination, Remuneration and Compensation Committee and the Board carry out evaluation of the individual Directors.

Separate meeting of the Independent Directors was held on March 14, 2016, inter alia, to review and carry out the performance evaluation of non-Independent Directors, the Chairperson and the Board.

The Directors expressed their satisfaction with the entire evaluation process.

5. STAKEHOLDER RELATIONSHIP COMMITTEE

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

The broad terms of reference of the stakeholders' relationship committee are as under:

1. Consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend / notice / annual reports, etc. and all other securities-holders related matters.
2. Consider and approve issue of share certificates (in-

cluding issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.

Details of shares transfer/transmissions approved by the committee are placed at the Board Meetings from time to time.

The composition of the Stakeholder Relationship Committee as on March 31, 2016 and attendance of the members at the meeting are as under:

Name of the Directors	Category
Shri Narendra Singh Bisht	Director (Chairman)
Shri J.K. Jain	Director (Member)
Shri Rajesh Kumar Gupta	Director (Member)

COMPLIANCE OFFICER

Mr. J.K. Jain, Whole Time Director is the Compliance Officer of the Company as the Company does not have a Company Secretary. His Corresponding addresses are as follows:

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

Corporate Office: 17A/41, W.E.A. Gurudwara Road Karol Bagh New Delhi-110005

E-mail ID: secretarial@shrigangindustries.com

Website: <http://www.shrigangindustries.com/>

The Company welcomes all the shareholders to communicate with the Company as per the above details or through the Company's Registrar and Share Transfer Agent, whose particulars are given later in this report

The investor complaints that were received during the year have been resolved within stipulated time.

During the period under review 1 investor complaint was received which was duly resolved and as on 31.03.2016 there were no pending complaints.

6. GENERAL BODY MEETINGS

(I) Annual General Meeting (AGM) Details

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

Year	Location	Date	Time
2013	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)	30.12.2013	11:00 AM
2014	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)	30.12.2014	11:30 AM
2015	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)	30.12.2015	3:00 PM

Special Resolution

One Special Resolution was passed in the Annual General Meeting held on December 30, 2015 for Re-appointment of Mr. J.K. Jain as Whole Time Director of the Company for a period of 2 years.

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. MEANS OF COMMUNICATION

In accordance with the Listing Regulations, the quarterly / half yearly / Annual results are regularly submitted to the BSE Limited 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 Pioneer and Hari Bhoomi newspapers in the state of Uttar Pradesh in terms of the **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015**.

The official news releases, including quarterly, half yearly and annual results and presentations are posted on Company's website (www.shrigangindustries.com). Various sections of the Company's website keep the investors updated on the key and material information of the Company by providing timely information like Board profile, press release, financial results, annual reports, shareholding pattern, stock information etc.

8. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Date and Time 29.09.2016; 3.00 P.M.
Venue: A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)

(b) Financial Year 2015-16

(c) Book closure date 26.09.2016 to 29.09.2016

(d) Dividend payment date N.A

(e) Stock Exchanges at which Shares of the Company are listed. BSE Limited, Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001

Stock Code : 523309

The Company has paid the listing fees for Financial Year 2016-17 to the Stock Exchanges where the shares of Company are listed.

(f) Stock Market Data

The trading in company's equity shares are suspended by the BSE Limited due to certain non-compliance of Listing

Agreement. Therefore no stock market data is available. However, the Company has made good all the previous non-compliances and requested the BSE to grant permission for trading in equity shares of the Company.

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

The trading in Company's equity shares are suspended by the BSE Limited due to certain non-compliance of Listing Agreement. Therefore, price performance in comparison to broad based indices cannot be done.

(h) Reasons for suspension of trading in equity shares

The Trading has been suspended due to non-payment of listing fees & certain non-compliance of listing agreement. The Company has since then paid the listing fees that was due and has completed the pending compliances and submitted all the documents with BSE Limited for revocation of suspension of trading.

(i) Registrar and Transfer Agent

M/s Beetal Financial & Computer Services (P) Ltd is the Registrar and Share Transfer Agent of the Company, to whom communications regarding change of address, transfer of shares, change of mandate etc. can be addressed by the shareholders holding shares in the physical mode, as per the details mentioned below:

Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor,
99, Madangir, New Delhi- 110062
Ph: 011-29961281-83
E-mail ID: beetalrta@gmail.com

(j) Share Transfer System

Transfers of shares in physical form are registered and dispatched within 15 days from the date of their receipt, subject to the documents being valid and complete in all respects. In case of objection, the same are also dispatched within 3 weeks.

(k) Distribution of Shareholding as on March 31, 2016

No. of equity shares held	No. of Share holders	% of share-holders	No. of shares held	% of share-holding
1 to 5000	11368	94.59	1725720	21.76
5001 to 10000	397	3.30	329900	4.16
10001 to 20000	124	1.03	185500	2.34
20001 to 30000	39	0.32	100500	1.27
30001 to 40000	10	0.08	35200	0.44
40001 to 50000	13	0.10	61000	0.77
50001 to 100000	15	0.12	115400	1.46
100001 to above	51	0.42	5376780	67.80
Grand Total	12017	100.00	7930000	100.00

Shareholding pattern as on March 31, 2016

S. No.	Category	No. of Shares held	% of holding
A.	Promoters holding	2267380	28.59
B.	Non-promoters holding		
1	Institutional Investors- Banks, Mutual Fund	179500	2.26
2	Others		
i)	Body Corporate	1759200	22.18
ii)	Indian Public	3717620	46.88
iii)	NRIs/OCBs	6300	0.08
	Sub-total (B)	5662620	71.40
	Grand Total	7930000	100.00

(l) Dematerialization of Shares and Liquidity:

The Company has recently been allotted ISIN i.e. INE241V01018 by CDSL for dematerialization of the Company's Shares. The Company has also entered into a tripartite agreement with NSDL for allotment of ISIN for dematerialization.

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

Date and likely impact on Equity : Not Applicable

(n) Commodity Price Risks

The Company does not have any commodity price risks.

(o) Plant Location: A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)

(p) Address for correspondence: A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P)

9. OTHER DISCLOSURES

(a) Related Party Transactions:

During FY 2015-16, there were no materially significant related party transactions i.e. transactions of the Company of material nature with bodies including its subsidiaries, promoters, directors, management, and relatives, which may have potential conflict with the interests of Company at large. Members may refer to Disclosures of transactions with related parties i.e. Promoters, Directors, Relatives, or Management made in the Balance Sheet in Notes to the Accounts.

In terms of Regulation 23 of Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions which is disclosed on Company's website (Web link: <http://www.shrigangindustries.com/policy.html>).

(b) Accounting Standards:

The Company has followed the Accounting Standards laid down by the Companies Act, 2013.

(c) Compliance with Regulations:

During the last three (3) years, there were no strictures or penalties imposed on the Company either by the Stock Exchanges or SEBI or any other statutory authority for non-compliance of any matter related to capital markets. However the trading in the Company Shares has been suspended by the Stock Exchange due to certain non-compliance of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. The Company has completed the pending compliances and submitted all the documents with BSE for revocation of suspension of trading.

(d) Certificate on Corporate Governance:

The Company has obtained **Certificate on Corporate Governance** as stipulated in Para E of Schedule V of **SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015** from Manoj Verma & Associates, Company Secretary in Practice.

(e) Details of compliance with mandatory requirements of the Listing Regulations

During the year, the Company has complied with all applicable mandatory corporate governance requirements of the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

(f) Adoption of the non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations, 2015

The Company has not yet adopted any of the non-mandatory requirements as specified in Part E of Schedule II of Listing Regulations, 2015.

(g) Prohibition of Insider Trading:

In accordance with SEBI (Prohibition of Insider Trading) Regulation, 2015, the Board of Directors has adopted the Insider Trading policy for prevention of insider trading to be followed by Directors, Employees and other connected persons.

(h) Policy on Material Subsidiary

In term of Regulation 16 of Listing Regulations, the Company has formulated a policy for material subsidiary which is disclosed on Company's website (Web link: <http://www.shrigangindustries.com/policy.html>)

(i) Vigil Mechanism/ Whistle Blower Policy

The Board has approved the Vigil Mechanism/Whistle Blower Policy, a mechanism for all Directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The mechanism also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Policy act as a neutral and unbi-

ased form to voice concerns in a reasonable and effective manner without fear of reprisal. The policy is disclosed on Company's website (Web Link: <http://www.shrigangindustries.com/policy.html>)

During the year under review no personnel has been denied access to the audit committee.

10. CEO/CFO Certification

As the Company is registered with BIFR and its manufacturing operations is suspended since 25th March, 2010 and it doesn't have any CEO/CFO, Mr. J.K. Jain, Whole Time Director of the Company have submitted certificate, in terms of **Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015**, to the Board.

11. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis is a part of Corporate Governance Report.

12. CODE OF CONDUCT

- i. The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to Directors (including Senior Management of the Company) have been sent to all the Directors and Senior Management Personnel. The Code is also disclosed on the website of the Company (Web Link: <http://www.shrigangindustries.com/investor-relations.html>)
- ii. The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the nine month period ended 31st March, 2016.

Declaration Affirming Compliance of provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior Management Personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the period ended March 31, 2016.

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

**Place: New Delhi
Date: 03.09.2016**

**J.K. Jain
Chairman & Whole Time Director
DIN: 00120204
Address: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana**

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh

CEO AND CFO CERTIFICATE

(UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
**The Board of Directors,
Shri Gang Industries and Allied Products Limited**

We hereby certify that:-

- a) We have reviewed the financial statements including the cash flow statement of the Company for the nine month period ended as on March 31, 2016 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 including cash flow statement present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, there are no transactions entered into by the Company which are fraudulent, illegal or violative of the Company's code of conduct.
- c) Based on our observance and on the basis of submissions received through sub-certification process, we certify that internal controls and financial reporting are established, maintained and are effective considering the nature and size of the business requirement. Further, no deficiencies have been observed in design or operation of such internal controls for the period covered by this report.
- d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the Company. Furthermore, no instance of fraud has been found by management or employees having a significant role in the Company's internal control system over financial reporting.

**Place: New Delhi
Date: 03.09.2016**

**J.K. Jain
Chairman & Whole Time Director
DIN: 00120204**

**Address: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana**

Note: As Company doesn't have any CEO/CFO, Mr. J.K. Jain, Whole Time Director of the Company has been authorized by the Board to submit the certificate, in terms of clause 49 of the listing agreement, to the Board.

NOMINATION AND REMUNERATION POLICY

The Board has delegated to the Nomination and Remuneration Committee the responsibility for identifying, negotiating, affirming and recommending to the Board, candidates for the Board, after considering the necessary and desirable competencies for new Board members.

Policy for Appointment and Re-Appointment of Director

The Board believes that its membership should comprise directors with an appropriate mix of skills, experience and personal attributes that will best complement board effectiveness, cohesion and diversity and allow the directors to individually, and as a Board collectively, to:

- (a) Discharge their responsibilities and duties under the law effectively and efficiently;
- (b) Understand the business and environment in which the company operates so as to be able to agree with management the objectives, goals and strategic direction which will maximize shareholder's value; and
- (c) Assess the performance of management in meeting those objectives and goals.

Accordingly, in selecting potential new directors, the Nominations and Remuneration committee will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the Committee will have regard to the results of the annual appraisal of the Board's performance.

While recognizing that each director will not necessarily fulfill all criteria, the Nominations and Remuneration Committee have identified the following fundamental factors as relevant to the selection and appointment of new directors:

- (a) Outstanding in capability with extensive and senior commercial experience;
- (b) High level of personal integrity; and
- (c) Time available to meet the commitment required.

Remuneration payable to Managing and Whole Time Director

The elements of the remuneration package of the Managing Director comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, personnel allowance, leave travel allowance, club membership / facilities, use of chauffeur driven Company car, telecommunication facilities at residence and other perquisites and allowances including Company's contribution to provident fund, superannuation fund, gratuity and leave encashment facilities in accordance with rules of the Company, medical reimbursement as per actual, medical/health insurance, life insurance including keyman insurance policies.

The annual increments and performance incentive of the Managing Directors and other whole time directors are linked to their performance and are decided by the Nomination and Remuneration Committee from time to time.

Remuneration payable to Non-Executive Directors

The Non-Executive Directors will be paid with the sitting fee, if any, subject to the approval of board of directors/including any sub-committee thereof, upto the limit as specified under Companies Act 2013 and also in Compliance with the Listing Agreement.

Evaluation

In addition to an annual self-evaluation by the remuneration committee, the board must review the effectiveness of the Committee annually.

Amendments

This policy can be modified or repealed at any time by the Board of Directors of the Company.

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

Place: New Delhi
Date: 03.09.2016

J.K. Jain
Chairman & Whole Time Director
DIN: 00120204

Add: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

MANAGEMENT DISCUSSION AND ANALYSIS

Shri Gang Industries & Allied Products Limited is engaged into the business of manufacture and Sale of Vanaspati, Refined Oils and Bakery Shortening. It manufactured these products under its brands “Apna” and “Mr. Baker” and the sales were mainly in the State of Uttar Pradesh. The manufacturing activities at factory premises was suspended with effect from March 25, 2010 and accordingly “Lay Off” was declared. The Company has not recommenced its manufacturing activity till date. A modified rehabilitation scheme has been submitted to Hon’ble BIFR based on the Techno Economic Viability Study (TEVS) which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and makes them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. The modified rehabilitation scheme is under consideration of Hon’ble BIFR. Once this is sanctioned the company would take steps to recommence the operations.

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

During the year, the Company had registered nil sales. However, during the year under review the company accrued loss of Rs. 62.82 lacs as against profit of Rs.5.38 of last year.

Your Company was declared as sick Industrial unit in May, 2001 by the Hon’ble Board for Industrial and Financial Reconstruction. Your management has been putting their best efforts to revive the sick Company since long time. Due to adverse market conditions the Company had to suspend its production activities and the workers are laid off w.e.f. March 25, 2010. Consequently there were nil amounts of sales during the year under report. A modified rehabilitation scheme has been submitted to Hon’ble BIFR based on the Techno Economic Viability Study (TEVS) which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and makes them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. The modified rehabilitation scheme is under consideration of Hon’ble BIFR. Once this is sanctioned the company would take steps to recommence the operations.

FINANCE COST

The financial charges for the nine month period ended March 31, 2016 was Rs. 2531.

RESERVES AND SURPLUS

As on March 31, 2016 the Reserves and Surplus in the Balance Sheet showing a negative amount of Rs.6372.86 lacs.

EARNING PER SHARE

Earnings per share of the company is (1.06) as against 0.07 of last year.

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.

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

Place: New Delhi
Date: 03.09.2016

J.K. Jain
Chairman & Whole Time Director
DIN: 00120204

Add: Flat No. 001, Tower 8,
The Close South, Nirvana Country,
Sector 50, Gurgaon-122018, Haryana

CORPORATE GOVERNANCE CERTIFICATE

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 nine month ended on March 31, 2016 as stipulated in **Regulation 34(3), Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial state-ments 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 **Regulation 34(3), Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**.

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

We further state that such compliance's are 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.

**For Manoj Verma & Associates
Company Secretaries**

**Sd/-
Manoj Kumar Verma
Practicing Company Secretary
CP- 8275
FCS-7632**

Date : August 20, 2016

Place : New Delhi

Independent Auditor's Report

To the Members of
Shri Gang Industries & Allied Products Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Shri Gang Industries & Allied Products Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period [Refer Note 21] then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Matter for Emphasis

Attention of the members is drawn to-

- a) With reference to note no 3 & 8, these accounts have been prepared without any provision of interest, if any, payable on the overdue amount of interest free loan in lieu of Trade Tax of Rs.446.00 lacs from PICUP. In the absence of any documentary evidences, we are not in a position to state / qualify whether any interest is payable on such amounts.
- b) With reference to note no 4 & 8, these accounts have been prepared without any provision of interest, if any, payable to Government of UP on overdue principal amount of deferred Trade Tax amounting to Rs. 3016.09 lacs. In the absence of any documentary evidences pending BIFR proceedings, we are not in a position to state / qualify whether any interest shall be payable on such amounts.
- c) With reference to Note no. 22 that the company suspended its manufacturing activities since 25.03.2010 and accordingly declared 'lay off' for indefinite period and board has not yet made out any detailed plan. Such long suspended activities coupled with the fact that the company's accumulated losses have exceeded its net worth, indicates the existence of a material uncertainty about the company's ability to recommence its operations and severally affecting the 'going concern assumption'. However, these accounts have been prepared by the management on 'going concern assumption' in view of the pending reference before BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 as explained in the said note 22.

Basis for Qualified Audit Opinion

- 1) Attention is drawn that the inventories of Rs.135.13 lacs includes Stores, Spares & Packing Material, which in the absence of physical verification may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and current assets are shown in excess of Rs.135.13 lacs.
- 2) Attention is drawn that the Capital Work in Progress of Rs.9.96 lacs, which has not yet been completed and commissioned, may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and non-current assets are shown in excess of Rs.9.96 lacs.
- 3) Interest on unpaid overdue Public Deposits of Rs.30.00 lacs for the year has not been provided for amounting to

Rs. 2.25 lacs (accumulated Rs.17.25 lacs approx. up to date of Balance Sheet). Accordingly loss for the current year and accumulated losses are less and current liabilities are also less by Rs. 17.25 lacs.

- 4) Charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges amounting in aggregate to Rs 2012.72 lacs levied by Paschimanchal Vidyut Vitran Nigam has not been provided for in these accounts as referred in Note 4 and Note 20. Accordingly the losses for the current year and accumulated losses are shown less and current liabilities are also shown lesser by Rs.2012.72 lacs.
- 5) In the absence of adequate documentation and documentary proofs, we are unable to comment whether there is any impairment in the value of the fixed assets due to efflux of time and suspension of manufacturing activities since March 2010 and requirement of provision for the same, which might be required to be provided for. In the absence of adequate records and any proofs of physical verification, the discrepancies, realizable/salvage value, the impact of impairment cannot be ascertained.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, subject to the matters of emphasis and except for the effects of the matters described in Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its loss and its cash flows for the nine months period from 01.07.2015, ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we give in the **Annexure-A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, as may be applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the statement of profit and loss, and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matter described in the Matter of Emphasis and Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow statement comply with the Accounting Standards specified in Section 133 of the Act;

read with Rule 7 of the Companies (Accounts) Rules, 2014;

- (e) Our observations or comments as stated in clause (c) of Matter of Emphasis relating to the going concern matter and all the clauses of Basis for Qualified Audit report in relation to the financial impact, in our opinion, may have adverse effect on the functioning of the company.
- (f) On the basis of written representation received from the Directors as on March 31, 2016 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of section 164(2) of the Act.
- (g) with respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations which would impact its financial position, in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

For TAS ASSOCIATES

Chartered Accountants
[Firm Registration No. 010520N]

Mukesh Agarwal

Partner
M No. 090582

Place: New Delhi
Date: 30.05.2016

Annexure – A to the Independent Auditor's Report

to the Members of Shri Gang Industries & Allied Products Limited

for the nine months period from 01.07.2015 to March 31, 2016

In terms of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Act, we report, on the matters specified in the paragraph 3 and 4 of the Order, as may be applicable, as hereunder:

1. In view of the suspended manufacturing activities by the company since March 2010, we are unable to state

whether the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. *As explained and informed to us that the manufacturing activities of the company are suspended since March 2010 and the Management has stated to have carried out the physical verification of part of the fixed assets during the year under consideration. In the absence of adequate documents, we are unable to comment whether such physical verification of the fixed assets was carried out or the frequency of such physical verification was reasonable having regard to the size of the company and the nature of its fixed assets. In absence of any such record of physical verification, the discrepancies, if any, between the physical assets and the book records are not ascertainable. As explained to us, the title deeds of immovable properties are held in the name of the company.*

2. *Since the company has suspended its activities since March 2010 and in the absence of adequate documentary evidence, we are unable to state whether the company has carried out physical verification of its inventories and at reasonable intervals. We are unable to comment whether the frequency of physical verification is reasonable. In absence of any records for physical verification of inventories, the discrepancies, if any, between the physical stock and the book records are not ascertainable.*
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) (a) to(c) of the Order are not applicable to the Company.
4. According to information and explanations given to us the company has not given any loan to directors or any other person in whom the directors is interested, or given any guarantee or provided any security in connection with any loan taken by directors or such other person, as provided in sections 185 & 186 of the Companies Act, 2013, therefore other disclosure requirements are not applicable to the company for the year.
5. *The Company has not accepted any deposits from the public except in relation to a sum of Rs 6.14 lacs as advance from customers outstanding for more than 365 days which is not in compliance of sections 73 and 74 of the Act. According to the information and explanation given to us, the Company has also not complied with the provisions of section 73 and 74 of the Act and the rules framed there under so far as applicable to the repayment of principal amount and interest on due dates or the renewal thereof in respect of overdue public deposit of Rs.30 lacs.*
6. To the best of our knowledge and as explained, the Central Government has prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013, in relation to activities of the Company and no such prescribed records are being maintained by the company. We are of the opinion that as

the company has suspended its manufacturing activities since March 2010, the company is not required to maintain the prescribed accounts and records, relating to materials, labour and other items of cost

7. According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, to the extent applicable to it. Further, no undisputed amounts payable in respect thereof were in arrears at the year-end for a period of more than six months from the date they became payable; except the following:(i) Deferred Trade Tax/ Vat amounting to Rs.3016.09 lacs (Previous year Rs.3016.09 lacs) in terms of order of BIFR for the rehabilitation. Refer note no. 22 of these financial statements. (ii) Excise Duty amounting to Rs 15.68 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR.(iii) Penalty on Excise Duty amounting to Rs 15.68 lacs for which the company has requested for waiver as per the rehabilitation proposal submitted to BIFR (iv) Employees' State Insurance amounting to Rs 4.21 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no statutory dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax as applicable, which have not been deposited on account of any dispute; except the following:Sl. No.StatuteNature of duesForum where dispute is pending Amount (Rs.)Period to which the amount relates1U.P. Trade Tax ActDemand on regular assessmentTrade Tax Tribunal4,67,03,355/-FY 2005-062U.P. Vat ActDemand on regular assessmentTrade Tax Tribunal2,15,000/-FY 2009-10
8. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has defaulted in repayment of dues to PICUP in terms of the rehabilitation plan sanctioned by BIFR and an amount of Rs. 446 lacs was overdue and which is not yet paid by the company in view of the Modified Rehabilitation Scheme submitted by the company to BIFR seeking more time for the repayment.
9. According to the information and explanations given to us, the Company has not raised any money by way of initial public offer, further public offer (including debt instruments) or term loans during the year. According, para 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company and on the company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company has not paid or provided any Managerial Remuneration during the year.

12. According to the information and explanations given to us the Company is not a Nidhi Company. Accordingly, para 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and on the basis of our examination of records of the company, the company has not entered into any transactions with the related parties as specified under sections 177 and 188 of the Act, except loan from a director which has been in compliance of the provisions and has been duly disclosed in the financial statements.
- 14.1516 According to the information and explanations given to us and on the basis of our examination of records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. According to the information and explanations given to us and on the basis of our examination of records of the Company, the company has not entered into any non-cash transactions with its directors or persons connected with him. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company is not required to be registered with Reserve Bank of India u/s 45-IA of the Reserve Bank of India Act, 1934.

For TAS Associates

For TAS ASSOCIATES

Chartered Accountants

[Firm Registration No. 010520N]

Mukesh Agarwal

Partner

M No. 090582

Place: New Delhi

Date: 30.05.2016

Annexure – B to the Independent Auditor’s Report

to the Members of

Shri Gang Industries & Allied Products Limited

for the nine months period ended March 31, 2016

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Shri Gang Industries & Allied Products Limited (“the company”) as of March 31, 2016 in conjunction with our audit of financial statements of the company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of

internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on assessed risk. The procedure selected depends on the auditor’s judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we obtained is sufficient and appropriate to provide the basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls over financial reporting includes those policies and procedures that (1) pertain to maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the asset of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitation of internal financial controls over financial reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management, override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

Keeping in view the fact that company suspended its manufacturing activities since March 2010 and thereafter not having any material numbers of financial transactions and absence of any employee and according to the information and explanation given to us, the Company has not established

its internal financial control over financial reporting considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2016. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

For TAS ASSOCIATES

Chartered Accountants
[Firm Registration No. 010520N]

Mukesh Agarwal

Partner
M No. 090582

Place: New Delhi
Date: 30.05.2016

BALANCE SHEET AS AT 31ST MARCH, 2016

(Figures in Rs)

Particulars	Note No.	AS AT 31.03.2016	AS AT 30.06.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	79,300,000	79,300,000
(b) Reserves and surplus	2	(637,286,922)	(631,003,994)
		(557,986,922)	(551,703,994)
2 Non-current liabilities			
(a) Long-term borrowings	3	36,030,000	36,030,000
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	4	55,186,000	55,186,000
(d) Long-term provisions	5	291,331	353,140
		91,507,331	91,569,140
3 Current liabilities			
(a) Short-term borrowings	6	3,000,000	3,000,000
(b) Trade payables	7	105,871,229	103,588,397
(c) Other current liabilities	8	413,332,678	411,243,338
(d) Short-term provisions		-	-
		522,203,907	517,831,735
TOTAL		55,724,316	57,696,880
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		34,966,767	37,367,278
(ii) Capital Work in Progress		996,275	996,275
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	10	4,802,335	4,802,335
(e) Other non-current assets		-	-
		40,765,377	43,165,888
2 Current assets			
(a) Current investments		-	-
(b) Inventories	11	13,512,978	13,512,978
(c) Trade receivables	12	105,726	105,726
(d) Cash and cash equivalents	13	196,250	58,020
(e) Short-term loans and advances	14	300,000	-
(f) Other current assets	15	843,985	854,268
		14,958,939	14,530,992
TOTAL		55,724,316	57,696,880

Notes form part of these financial statements
Significant Accounting Policies

1-36
37

This is the balance sheet referred to in our report of even date

For Tas Associates

Chartered Accountants

FRN- 10520N

(Mukesh Agarwal)

Partner

Membership No.- 090582

Date: 30.05.2016

Place: New Delhi

For & on behalf of Board of Directors

J K Jain

(Whole Time Director)

DIN- 00120204

Syed Azizur Rahman

(Director)

DIN- 00242790

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2016

(Figures in Rs)

Particulars	Note No.	01.07.2015 to 31.03.2016	01.07.2014 to 30.06.2015
Revenue:			
I. Revenue from operations		-	-
II. Other income	16	21,195	13,206,798
III. Total Revenue (I + II)		21,195	13,206,798
Expenses:			
Establishment Expenses	17	-	543,600
Finance costs	18	2,531	2,416
Depreciation and amortization expense	9	2,400,511	3,200,681
Other expenses	19	1,809,848	280,471
IV. Total expenses		4,212,890	4,027,168
V. Profit/ (Loss) before exeptional items and tax (III-IV)		(4,191,695)	9,179,631
VI. Exceptional items			
Prior Period Expenses			
- Gratuity		55,018	-
- Income Tax		46,909	-
- Central Excise Duty		1,568,258	
- Employees State Insurance contribution		421,048	
- Value Added Tax		-	8,640,990
VII. Profit/ (Loss) before tax (V- VI)		(6,282,928)	538,641
VIII. Tax expense:			
(1) Current tax	32	-	-
(2) Deferred tax	33	-	-
IX Profit (Loss) for the period (VII -VIII)		(6,282,928)	538,641
X Earnings per equity share (annualised):	34		
a) Basic		(1.06)	0.07
b) Diluted		(1.06)	0.07

Notes form part of these financial statements
Singinificant Accounting Policies

1-36
37

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

For Tas Associates
Chartered Accountants
FRN- 10520N

(Mukesh Agarwal)
Partner
Membership No.- 090582

Date: 30.05.2016
Place: New Delhi

For & on behalf of Board of Directors

J K Jain
(Whole Time Director)
DIN- 00120204

Syed Azizur Rahman
(Director)
DIN- 00242790

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03. 2016

(Figures in Rs)

		01.07.2015 to 31.03.2016		01.07.2014 to 30.06.2015	
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax & Extraordinary items		(6,282,928)		538,641
	<u>Adjustment for:</u>				
	Depreciation	2,400,511		3,200,681	
	Finance Cost	-	2,400,511		3,200,681
	Operating Profit before Working Capital Changes		(3,882,417)		3,739,322
	<u>Adjustment for:</u>				
	Trade & Other Receivables	(289,717)		116,755	
	Trade Payables & Other Liabilities	4,310,364	4,020,647	(3,840,354)	(3,723,599)
	Net Cash from Operating Activities.....A		138,230		15,722
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Net Cash from Investing Activities.....B		-		-
C)	CASH FLOW FROM FINANCING ACTIVITIES				
	i) Long Term Borrowings (Net)		-		
	ii) Finance Cost		-		
	Net Cash from Financing Activities.....C		-		-
D)	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)		138,230		15,722
	Opening Cash & Cash Equivalents		58,020		42,298
	Closing Cash & Cash Equivalents		196,250		58,020

NOTE: Figures in Brackets represent outflows.

As per our report of even date attached.

For Tas Associates
Chartered Accountants
FRN- 10520N

(Mukesh Agarwal)
Partner
Membership No.- 090582

Date: 30.05.2016
Place: New Delhi

For & on behalf of Board of Directors

J K Jain
(Whole Time Director)
DIN- 00120204

Syed Azizur Rahman
(Director)
DIN- 00242790

Note 1 Share Capital

Particulars	As at 31 March 2016		As at 30 June 2015	
	Number	Rs	Number	Rs
Authorised				
Equity Shares of Rs 10/- each	8,500,000	85,000,000	8,500,000	85,000,000
Issued, Subscribed & Paid up				
Equity Shares of Rs 10/- each, fully paid up	7,930,000	79,300,000	7,930,000	79,300,000
Total	7,930,000	79,300,000	7,930,000	79,300,000

Reconciliation of Share Capital

Particulars	Equity Shares		Equity Shares	
	Number	Rs in Lacs	Number	Rs in Lacs
Shares outstanding at the beginning of the year	7,930,000	79,300,000	7,930,000	79,300,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	7,930,000	79,300,000	7,930,000	79,300,000

Terms/rights attached to equity shares

- The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to dividend and one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the paid up amount per equity shares held by the shareholders.

Shares held by each shareholder holding more than 5% shares

There is no shareholder holding more than 5% shares in the company

Note 2 Reserves & Surplus

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
Capital Reserve				
Balance as per last account		81,000		81,000
General Reserve				
Balance as per last account		22,000,000		22,000,000
Profit & Loss Account				
As per last Accounts	(653,084,994)		(653,373,487)	
Less: Surplus in the statement of Profit & Loss	(6,282,928)		538,641	
Add :Additional depreciation pursuant to enactment of schedule II of the Companies Act 2013 (Refer Note No 9)	-		(250,148)	
Closing Balance at the end of year		(659,367,922)		(653,084,994)
Grand Total		(637,286,922)		(631,003,994)

Note 3 Long Term Borrowings
(Figures in Rs.)

Particulars	As at 31 March 2016		As at 30 June 2015	
		Rs		Rs
I) Secured				
a) Term Loan from Financial Institutions				
Loan in lieu of deferred Trade Tax from PICUP	44,600,000		44,600,000	
Less: Current Maturities of Long Term debts, (included in note 8)	44,600,000	-	44,600,000	-
Security				
Secured by way of a charge on the entire immoveable and movable assets of the company				
Terms				
Loan was interest free and repayable on 30th April 2013				
The whole amount is due for repayment wef 1st May 2013				
II) Unsecured				
Interest Free Loans from-				
Bodies Corporate	30,930,000		30,930,000	
Director	5,100,000		5,100,000	
Total		36,030,000		36,030,000
Terms				
All loans are interest free without any specific terms of repayment				
Total		36,030,000		36,030,000

Note 4 Other Long Term Liabilities
(Figures in Rs.)

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
		Rs	Rs	
<u>Deferred Payments</u>				
1) Deferred Trade Tax/VAT (Secured)	301,608,563		301,608,563	
Less: Current Maturities of Deferred payments (included in note 8)	301,608,563	-	301,608,563	-
(Interest Free and Repayable till 30.06.2016)				
<u>Security</u>				
Secured by way of charge on the entire immoveable and movable assets of the company				
2) Deferred Power Charges (Unsecured) #	64,113,832		64,113,832	
Less - Current maturities (already due)	(64,113,832)	-	(64,113,832)	-
Security Deposits (Interest Free)		55,186,000		55,186,000
Total		55,186,000		55,186,000

In addition, a sum of Rs 241.83 lacs (PY 209.43 lacs) on account of minimum demand charges and Rs 1770.89 lacs (PY 1674.13 lacs) on account of surcharge (interest), has been demanded by Paschimanchal Vidyut Vitran Nigam, which has not been accounted for in view of pending application before BIFR and Government of Uttar Pradesh. To be read with Note 20 and 22(d).

Note 5 Long Term Provisions

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
		Rs		Rs
<u>Provision for employee benefits</u>				
Leave Encashment		291,331		353,140
Total		291,331		353,140

The company had a defined benefit gratuity plan & leave encashment as long term benefits to employees. However, due to the lay off for indefinite period, gradually all the employees have resigned from the services of the company and except for the one Whole Time Director there are no employees on the rolls of the company. In view of this, the actuarial valuation was not required to be carried out during the year for such long term benefits. However, in compliance of AS-15, provision for the Company's liability towards gratuity and leave encashment has been done on actual basis.

Note 6 Short Term Borrowings

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
		Rs		Rs
Unsecured Loans				
Current Maturity of overdue Public Deposits		3,000,000		3,000,000
Total		3,000,000		3,000,000

* Overdue unpaid public deposits, without provision of interest w.e.f. 01/07/2010.

Note 7 Trade Payables

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
		Rs		Rs
Sundry Creditors*		105,871,229		112,319,342
Total		105,871,229		112,319,342

* Due to other than micro, small & medium enterprises. Also refer note 29

Note 8 Other Current Liabilities

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
		Rs		Rs
Current Maturities of Long Term Debt-PICUP (refer note no 3) <u>Security</u> Secured by way of a charge on the entire immoveable and movable assets of the company <u>Terms</u> Loan is interest free and Repayable on 30th April 2013 The whole amount is due for repayment of loan wef 1st May 2013 <u>Current Maturities of Deferred Payments</u>		44,600,000		44,600,000
Trade tax (refer note 4)	301,608,563		301,608,563	
Power Charges	64,113,832	365,722,395	64,113,832	365,722,395
Security Trade tax is Secured by way of first charge on the entire immoveable and movable assets of the company		614,395		614,395
Advances from customers		1,568,258		
Central Excise Duty payable		421,048		
Employees State Insurance contribution payable		58,625		-
TDS Payable		46,909		
Income Tax Payable		301,048		306,548
Expenses Payable				
Total		413,332,678		411,243,338

Note 9 Fixed Assets

(Figures in Rs.)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.07.2015	Additions	Disposals	AS AT 31.03.2016	As at 01.07.2015	Charge for the period 01.07.2015 to 31.03.2016	Adjustment (refer note below)	On disposals	AS AT 31.03.2016	As at 30.06.2015
a										
Tangible Assets										
Leasehold Land	2,857,874	-	-	2,857,874	-	-	-	-	2,857,874	2,857,874
Buildings	44,067,224	-	-	44,067,224	28,422,364	796,152	-	-	14,848,708	15,644,860
Plant and Equipment	161,480,017	-	-	161,480,017	142,710,314	1,599,553	-	-	17,170,150	18,769,703
Furniture and Fixtures	3,995,674	-	-	3,995,674	3,992,731	-	-	-	2,943	2,943
Vehicles	1,769,408	-	-	1,769,408	1,744,255	4,806	-	-	20,347	25,153
Office equipment	8,420,513	-	-	8,420,513	8,353,768	-	-	-	66,745	66,745
Total	222,590,710	-	-	222,590,710	185,223,432	2,400,511	-	-	34,966,767	37,367,278
b										
Intangible Assets										
Brands / trademarks	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress									996,275	996,275
Grand Total	22,590,710	-	-	22,590,710	185,223,432	2,400,511	-	-	35,963,042	38,363,553

Note: Pursuant to enactment of Companies Act, 2013 the company applied the estimated useful lives as specified in schedule II in the year 2014-15. Accordingly, the unamortised carrying value was depreciated/ amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose life expired as at 1st April, 2014 were adjusted, net of tax.

Note 10 Long Term Loans & Advances

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Security Deposits (Unsecured, Considered Good)		4,802,335		4,802,335
Total		4,802,335		4,802,335

NOte 11 Inventories

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Stores, Spares & Packing Material (Valued at cost)		13,512,978		13,512,978
Total		13,512,978		13,512,978

Note 12 Trade Receivables

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Trade Receivables (Unsecured, considered good)				
Outstanding for more than six months	1,079,265		1,079,265	
Less: Provision for Doubtful Debts	973,539	105,726	973,539	105,726
Others		-		-
Total		105,726		105,726

Note 13 Cash & Cash Equivalents

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Cash on Hand		141,010		41,009
Balances with Banks in Current Accounts		55,240		17,011
Total		196,250		58,020

Note 14 Short Term Loans & Advances

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Unsecured				
Trade Advances	436,712		136,712	
Less: Provision for Doubtful Debts	136,712	300,000	136,712	-
Staff Imprest	296,663		296,663	
Less: Provision for Doubtful Debts	296,663	-	296,663	-
Total		300,000		-

Note 15 Other Current Assets

Particulars	AS AT 31.03.2016		AS AT 30.06.2015	
	Rs		Rs	
Interest Receivable	644,614		644,614	
TDS Receivable	199,371		209,654	
Total	843,985		854,268	

Note 16 OTHER INCOME

Particulars	01.07.2015 to 31.03.2016	01.07.2014 to 30.06.2015
	Rs	Rs
Interest received	426	7,544
Royalty	20,769	119,259
Credit Balances written off	-	13,079,996
Total	21,195	13,206,798

Note 17 Establishment Expenses

Particulars	01.07.2015 to 31.03.2016	01.07.2014 to 30.06.2015
	Rs	Rs
Gratuity	-	543,600
Total	-	543,600

Note 18 Finance Cost

Particulars	01.07.2015 to 31.03.2016	01.07.2014 to 30.06.2015
	Rs	Rs
Bank Charges	2,531	2,416
Total	2,531	2,416

Note 19 OTHER EXPENSES

Particulars	01.07.2015 to 31.03.2016	01.07.2014 to 30.06.2015
	RS	RS
Listing Fees	28,625	200,000
Monitoring Charges paid to IDBI	229,000	-
FSSAI Licence Fees	37,500	-
Professional & Consultancy	436,475	33,000
ROC Filing Fees	4,907	23,926
Audit Fees	34,500	16,854
Upfront Charges paid to PICUP	1,000,000	-
Other Expenses	38,841	6,691
Total	1,809,848	280,471

Note 20 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As on 31 March 2016	As on 30 June 2015
	Rs in Lacs	Rs in Lacs
Claims against the company not acknowledged as debt		
Demand raised by the Trade Tax Authorities in the year 2005-06, against which the company has filed appeal before Trade Tax Tribunal	469.18	469.18
Demand raised by the Income Tax Authority towards penalty for A/Y 2008-09 against which the company has filed appeal	0.00	11.96
Minimum demand charges levied by Paschimanchal Vidyut Vitran Nigam, disputed by the company & pending before BIFR. Read with Note 4.	241.83	209.43
Surcharge on minimum demand charges and deferred power charges levied by Paschimanchal Vidyut Vitran Nigam, disputed by the company & pending before BIFR. Read with Note 4 and 22(d).	1770.89	1674.13
Penalty on demand raised by the Central Excise Department towards excise duty on sale of by products for which the company has requested for waiver in the rehabilitation scheme submitted to BIFR	15.68	31.36
Total	2497.58	2396.06

In the opinion of the management, no provision is considered necessary as there are fair chances of successful outcome of appeal and favourable consideration to the rehabilitation proposal submitted to BIFR.

Note 21 The company was following financial year which started on 1st July and ended on 30th June every year. As per the provisions of Section 2(41) of the Companies Act, 2013, every company had to adopt financial year beginning from 1st April and ending on 31st March within 2 years of the applicability of this Section. In compliance of the provisions of this Section the company has changed its accounting year to begin on 1st April and end on 31st March with the approval of the members of the company in the annual general meeting held on 30.12.2015. Consequent to the change in the financial year, the present financial statements have been prepared for the period July 1, 2015 to 31.03.2016.

Note 22 a) 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.

b) As per the rehabilitation scheme sanctioned by BIFR, Punjab National Bank (PNB) had agreed to charge interest at the prime lending rate (PLR) with effect from 1.7.2001. Subsequently the principal and accrued interest has been fully discharged by the company.

c) 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/VAT amounting in aggregate to Rs.3462.09 Lacs (P.Y. Rs. 3462.09 Lacs) and Power Charges amounting for Rs.641.13 Lacs (Previous Year 641.13). 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. 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 Long Term Liabilities in the accounts. The amounts which have become due for payment or shall become due in next twelve months have been shown under the head Current Liabilities.

d) As per G.O. No. 1701/77-1-2015-10 (BIFR)/09TC dated 07.12.2015 the Government of Uttar Pradesh has formulated a policy for the revival of the sick units in the State. As per this GO no interest is payable on the past dues.

Note 23 Due to adverse market conditions and lack of orders and inspite of the implementation of the rehabilitation scheme sanctioned by BIFR, the management of the company has temporarily suspended its manufacturing activities at the factory effective from 25th 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". Further, in the absence of any detailed or formal plan approved/ announced by the board of directors, the discontinued operations of the Company have not yet been identified for initial disclosure and therefore these accounts have been drawn on the going concern assumption.

Note 24 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.

Note 25 PAYMENT TO AUDITOR

Particulars	For the period ended 31 March 2016	For the year ended 30 June 2015
	Rs in Lacs	Rs in Lacs
a) Audit Fees	34,500	16,854
Total	34,500	16,854

Note 26 Expenditure in Foreign Currency during the year- Nil (Previous Year Nil)

Note 27 Value of Imports on CIF Basis- Nil (Previous Year Nil)

Note 28 Value of imported and indigenous raw materials, stores, spare parts and components consumed -Nil (Previous Year Nil)

Note 29 The company does not have the required information from the suppliers regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006. Hence, the disclosures, if any, relating to the amounts unpaid as at the end of the financial year together with interest paid/payable as required under the said Act has not been made.

Note 30 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.

Note 31 RELATED PARTY DISCLOSURE

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

A) Names of the Related parties and description of relationship

Key Managerial Personnel

- J K Jain, Whole Time Director

B Transactions during the year and Balances outstanding as at the year-end in respect of transactions entered into during the year with the Related Parties:

Rs in Lacs

	For the period ended 31 March 2016	For the year ended 30 June 2015
	Key Managerial Person	Key Managerial Person
a) <u>Expenditure</u>		
Payment to and provisions for employees/Directors	0.00	0.00
b) Unsecured Loan taken during the year	0.00	0.00
c) Balance of unsecured Loans at the end (J K jain)	51.00	51.00

Note 32 PROVISION FOR INCOME TAX

The provision for the current Income Tax is not considered necessary for the financial year 2015-16 in view of the brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

Note 33 DEFERRED TAX ASSETS

Major components of Deferred Tax Assets (net) arising on account of timing difference are as under

Particulars	As at 31 March 2016	As at 30 June 2015
	Rs in Lacs	Rs in Lacs
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	533.39	569.47
Deferred Trade Tax	931.97	905.27
Provision for Leave Encashment/ESIC/Excise Duty	7.05	1.18
Total	1,472.41	1,475.92
Deferred Tax Liability		
WDV of Fixed Assets	23.35	33.24
Total	23.35	33.24
Net Deferred Tax Asset (Net)	1,449.06	1,442.68
Increase/(Decrease) in net Deferred Tax asset	6.38	(96.84)

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 consideration of uncertainty on its realisability in the peculiar circumstances of the company.

Note 34 BASIC AND DILUTED EARNING PER SHARE

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

Particulars	For the period ended 31 March 2016	For the year ended 30 June 2015
Profit/ (Loss) for the reporting period after tax	(6,282,928)	538,641
No. of weighted average equity shares (Basic & Diluted)	7,930,000	7,930,000
EARNING PER SHARE (Rs.) *		
- Basic	(1.06)	0.07
- Diluted	(1.06)	0.07

* Annualized as the accounts have been prepared for a period of 9 months

Note 35 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.

Note 36 Previous year figures/classification have been regrouped/ restated wherever considered necessary to conform with the current year figures/classification.

Note 37 Significant accounting policies**1) RECOGNITION OF INCOME & EXPENDITURE**

- a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies(Accounts) Rules 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 (Companies (Accounting Standards) Rules, 2006, as amended) and other relevant provisions of the Companies Act, 2013.
- b) The liability towards excise duty on the manufactured goods is accounted for at the time of clearance of 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

- (i) 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 & loss account for the year when the contributions to the respective funds are due. There are no other obligations other than the contributions payable to the respective funds.
- b) Gratuity is a defined benefit obligation. Liability in respect of gratuity is being paid to the fund maintained by LIC of India and administered through a separate irrevocable trust set up by the company. Difference between the fund balance and the accrued liability at the end of the year based on the actuarial valuation is charged to the P/L A/c.

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 assets are capitalised 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 AMORTISATION

- a) Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in the Schedule II of the Companies Act, 2013.
- 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/ discard, 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 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

- | | |
|--|--|
| (i) Finished Goods- | At lower of cost or Net realizable value |
| (ii) Raw Material, Work in Process, Stores & Spares- | At Cost |
| (iii) By Products- | At net realizable value |
| (iv) 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 & 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 depre 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 CONTINGENT LIABILITIES

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 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 such indication exists & identified, impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is greater of the net selling price and value in use. Reversal of impairment losses recognised in prior years is recorded when there is indication that the impairment losses for the assets are no longer exist.

For Tas Associates

Chartered Accountants

FRN- 10520N

(Mukesh Agarwal)

Partner

Membership No.- 090582

Date: 30.05.2016

Place: New Delhi

For & on behalf of Board of Directors

J K Jain

(Whole Time Director)

DIN- 00120204

Syed Azizur Rahman

(Director)

DIN- 00242790

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the Entrance of the Hall. Only Members or their Proxies are entitled to be present at the meeting.

Name and Address of the Member	Folio No.
	Client ID No.
	DP ID No.
	No. of Shares Held

I hereby record my Presence at the 27th Annual General Meeting of the Company **on Thursday, the 29th Day of September, 2016 at 03:00 P.M at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh.**

Signature of the Shareholder	Signature of the Proxy

- Note:**
1. The copy of Annual Report may please be brought to the Meeting Hall.
 2. Briefcase, Hand Bags etc. are not allowed inside the Meeting Hall.
 3. Please note that no gifts will be distributed at the meeting

Proxy Form - Form MGT-11

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

I / We, being the member(s) of shares of the above named company, hereby appoint:

- (1) Name Address.....
 Email ID Signature..... Or failing him/her
- (2) Name Address.....
 Email ID Signature..... Or failing him/her
- (3) Name Address.....
 Email ID..... Signature..... Or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, September 29, 2016 at 03:00 P.M. at the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the period ended 31st March, 2016 and the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Suchi Bahl (DIN 02332887) who retires by rotation and being eligible, offers herself 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

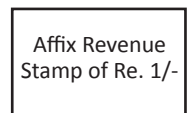
SPECIAL BUSINESS:

1. Regularization of Mr. Syed Azizur Rahman.

Signed this _____ day of September, _____ 2015.

Signature of the Shareholder

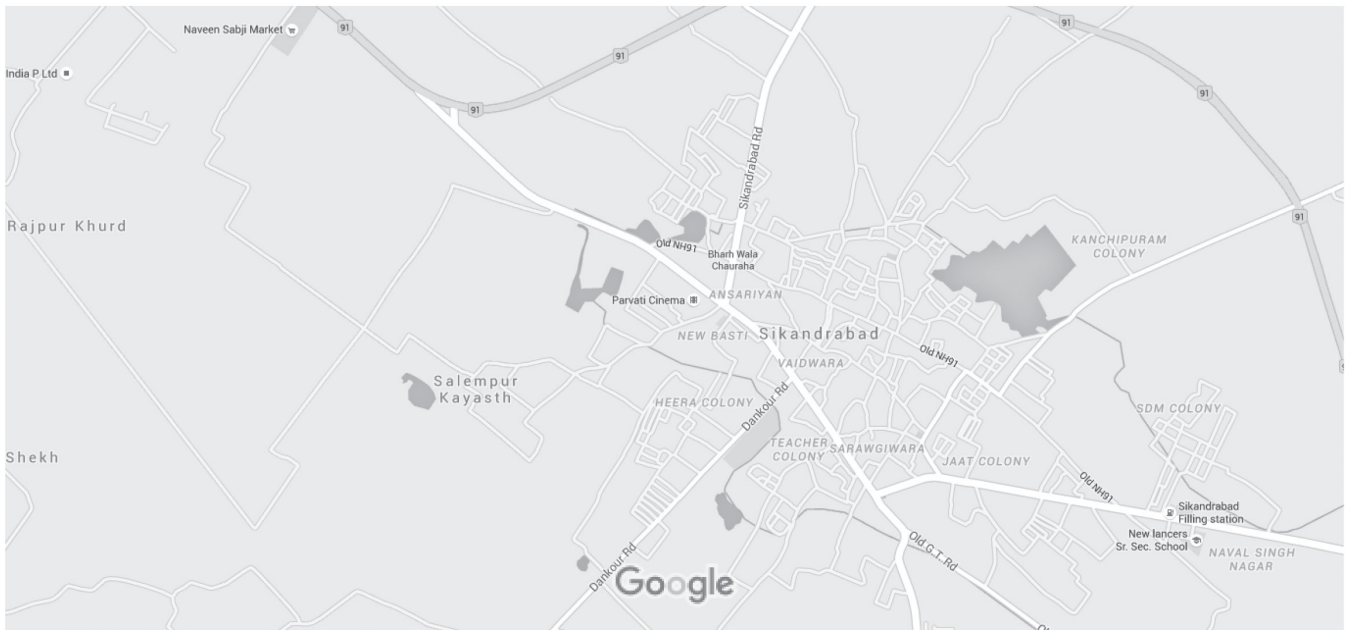
Signature of Proxy holder(s)



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

BOOK POST

Route Map



If Undelivered, please return to:

Shri Gang Industries & Allied Products Limited

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