

**28TH ANNUAL REPORT
2016-2017**

**SHRI GANG INDUSTRIES AND
ALLIED PRODUCTS LIMITED**

CIN NO: L01112UP1989PLC011004

BOARD OF DIRECTORS

Chairman & Whole Time Director	Mr. Syed Azizur Rahman
Director	Mrs. Suchi Bahl
Director	Mr. Narendra Singh Bisht
Company Secretary	Ms. Shefali Sharma
Bankers	HDFC Bank
Statutory 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- 203205, Contact No. +91-05735-222568
Corporate Office	F-32/3, Okhla Industrial Area, Phase- II, New Delhi-110020, Contact No. +91-011-42524454
Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99, Madangir, New Delhi-110062

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NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Eighth Annual General Meeting of the members of **M/s Shri Gang Industries and Allied Products Limited** will be held on Thursday, September 28, 2017 at 11:00 AM at the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh-203205 to transact the following businesses:-

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2017, together with the reports of Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Syed Azizur Rahman (DIN 00242790) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Statutory Auditors for five consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty third (33rd) 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), 142 and other applicable provisions if any, of the Companies Act, 2013, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, **M/s Satendra Rawat & Co. Chartered Accountants**, having Firm Registration No. 008298C, be and are hereby appointed as Statutory Auditors of the company to hold office for a period of 5 consecutive financial years, from the conclusion of twenty eighth Annual General Meeting till the conclusion of thirty third (33rd) Annual General Meeting (subject to ratification of appointment by the members at every AGM) to examine and audit the accounts of the Company on such remuneration as fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To consider and pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of section 196, 197, 198 and 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Members be and is hereby accorded for the appointment of Mr. Syed Azizur Rahman as Whole Time Director of the Company designated as Key Managerial Personnel (KMP) at a total remuneration of Rs. 1,50,000/- (Rs. One Lakh Fifty Thousands only) per month for a period of two (2) years w.e.f. 9th May, 2017.

RESOLVED FURTHER THAT in the absence or inadequacy of profits in any financial year during the currency of tenure of Whole time Director, the remuneration payable to the Whole time Director shall not exceed the maximum limit prescribed under Section II Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

5. To consider and pass the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Yogesh Kumar (DIN: 07216171) who was appointed as an Additional Director (Independent) of the Company w.e.f. 14th August, 2017 under section 161 of the Act and has submitted a declaration of independence under section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act signifying his intension to propose Mr. Yogesh Kumar as a candidate for the office of Independent Director of the Company, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold the office for a term of 5 years from 14th August, 2017 to 13th August, 2022 and whose office shall not be liable to retire by rotation.”

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL (AGM) MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND 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 FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS ENCLOSED HERewith.

Pursuant to the provisions of Section 105 of the Companies Act, 2013 read with Rule 19 of Companies (Management and Administration) Rules, 2014 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) Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from 25thSeptember 2017 to 28thSeptember 2017 (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 businesses 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 there at, 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 2016-17 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 (SS-2) 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 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 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 (LODR) 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 the 28th Annual General Meeting (AGM) by electronic means and the items of business given in the Notice of 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 Central Depository Securities Limited (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.
- 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 will commence at 10:00 a.m. on 25th September, 2017 and ends at 5:00 p.m. on 27th September, 2017. During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-off date of 21st September, 2017 (“**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 enter your User ID;
 - a. **For CDSL:** 16 digits beneficiary Id.
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. 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.
- vi. If you are a **first time user** follow the steps given below:

For members holding shares in Demat Form and Physical Forms:

PAN*	<p><i>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</i></p> <ul style="list-style-type: none"> - <i>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.</i> - <i>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.</i>
<i>Dividend Bank Details</i> <i>OR Date of Birth (DOB)</i>	<p><i>Enter the Dividend Bank Details or Date of Birth (in d/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.</i></p> <ul style="list-style-type: none"> • <i>If both the details are not recorded with the depository or company please enter the member id/ folio number in the Dividend Bank details field.</i>

- vii. After entering these details appropriately, click on “**SUBMIT**” tab.
- viii. Members holding shares in physical form will then directly reach 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.

- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the **EVSN** of Shri Gang Industries and Allied Products Limited which is **170817010**.
- xi. 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.
- xii. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- xiii. 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.
- xiv. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on “**Click here to print**” option on the Voting page.
- xvi. 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.
- xvii. **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.com> 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 linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned certified true copy of the Board Resolution /Power of Attorney (POA)/Authority letter etc. which they have issued in favor of the Custodian, if any should be uploaded in PDF format in the system for the scrutinizer to email at csscruinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com to verify the same.
- xviii. 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.com under help section or write an email to helpdesk.evoting@cdslindia.com
- xix. 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. 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 EVSN 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.

(1) 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.

(2) 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.evotingindia.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 21, 2017.

- 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 on the Cut-off date i.e. September 21, 2017, may obtain the User ID and Password by sending a request (along with Name, Folio No. / DP ID & Client ID, as the case may be and shareholding) at helpdesk.evoting@cdslindia.com 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.evotingindia.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 authorized 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 the 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-203205.
- XII. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the 28th AGM scheduled to be held on 28th September, 2017.
- 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**.

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

Sd/-
Shefali Sharma
Company Secretary
Membership No. 44902

Place : New Delhi
Date : 14.08.2017

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh-203205
Phone : 05735-222568

Corporate Office:
F-32/3, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone : 011-42524454

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4**

Pursuant to the provisions of Section 179 (3) read with Companies (Board and its Powers) Rules, 2014, Section 196, 197, 198 and 203 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the company has appointed Mr. Syed Azizur Rahman (DIN-00242790) as Whole Time Director of the company designated as KMP at a total remuneration of Rs. 1,50,000/- (Rs. One Lakh Fifty Thousands only) per month for a period of two (2) years w.e.f. 9th May, 2017 to 08th May 2019 subject to the confirmation by members 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. Brief profile of the said Independent Director, in terms of Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings is provided after this Notice as “Annexure-A”.

All documents referred to in the notice and explanatory statement shall be open for inspection at the registered office and corporate office of the Company during business hours on all working days upto the date of AGM and will also be available at the meeting venue on the date of the meeting.

STATEMENT CONTAINING THE RELEVANT DETAILS REQUIRED UNDER SCHEDULE V TO THE COMPANIES ACT, 2013 ARE AS STATED HEREUNDER:**I. GENERAL INFORMATION**

(1)	Nature of Industry	Shri Gang Industries and Allied Products Limited is engaged in the business of manufacturing and production of Edible Oils.
(2)	Date or expected date of commencement of commercial production	The Company is in operation since 1989.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable (As the Company is already in operation)
(4)	Foreign investments or collaborators, if any	Nil
(5)	Financial performance of the Company for the last 3 years is given below:	

Particulars	Financial Year Ended		
	30 th June 2015	31 st March 2016	31 st March 2017
	(Amount in Rs.)		
Revenue	-	-	6,885,712
Other Income	13,206,798	21,195	885,318
Total Income	13,206,798	21,195	7,771,030
Total Expenditure	4,027,168	4,212,890	22,082,238
Profit (Loss) before Tax	538,641	(6,282,928)	(27,824,186)
Profit/Loss after tax and adjustments	538,641	(6,282,928)	(27,824,186)

II. INFORMATION ABOUT THE APPOINTEE**MR. SYED AZIZUR RAHMAN AS WHOLE TIME DIRECTOR**

(1)	Background Details	Mr. Syed Azizur Rahman is Mechanical Engineer by qualification.
(2)	Past Remuneration	NIL
(3)	Recognition or Awards	--
(4)	Job Profile and his suitability	He has 29 years of experience in manufacturing inclusive of 19 years as Unit Head/Business head of company in edible oil industry.
(5)	Remuneration Proposed	Rs. 1,50,000/- per month
(6)	Comparative remuneration profile w.r.t industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t to the country of his origin)	The comparative remuneration ranges from Rs 1 Lac per month to Rs 3 Lacs per month based on the information available in public domain.
(7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	He has no pecuniary relationship, directly or indirectly with the Company, or relationship with the Managerial Personnel.

III. OTHER INFORMATION

(1)	Reason for loss or inadequate profits	1. Competition from large business houses/ MNC's which had set up refineries of huge capacity at port. Due to large Capacity they had advantage of economies of scale. 2. Gradual erosion in working capital due to continued losses
(2)	Steps taken or proposed to be taken for improvement	The Government of Uttar Pradesh has sanctioned a rehabilitation scheme for the company based on its policy for the revival of the sick units in the State. This would help the company to sustain its operations on a long term basis. The company has resumed its manufacturing operations on a limited scale during the last year. The operations would be gradually scaled up once power connection to the unit is restored and some essential modifications, additions and technological up gradations are carried out in the existing plant and equipment. Apart from this as a part of the rehabilitation scheme the company has been permitted to set up a Distillery unit with Bottling Plant for IMFL & Country Liquor at Sandila, Dist. Hardoi. The company has already been allotted land by UPSIDC in Sandila Industrial Area for setting up the unit. The setting up of the new unit would help in the revival of the company.
(3)	Expected increase in productivity and profits in measurable terms	At present it is difficult to estimate the same.

The Board accordingly recommends the **Resolution at item no. 4** of this notice for the approval of the members as an **Ordinary Resolution**.

ITEM NO. 5

As per the provisions of Section 149(4) of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 every listed company shall have at least 1/3rd of its total number of directors as Independent Directors. Mr. Yogesh Kumar was co-opted by the Board of Directors as an Additional Director (Independent) w.e.f. 14th August, 2017 pursuant to Section 161(1) of the Companies Act, 2013. Mr. Yogesh Kumar holds office till the date of the ensuing Annual General Meeting. Mr. Yogesh Kumar is now proposed to be appointed as Independent Director under the provisions of Section 149(4) of the Companies Act, 2013.

Section 149(6) of the said Act, lays down the criteria for independence. Mr. Yogesh Kumar (DIN-07216171) Non-Executive Director of the Company has furnished declaration to the Company under Section 149(7) of the Companies Act, 2013, confirming that he meets the criteria prescribed for independent director under Section 149(6) of the said Act.

In the opinion of the Board Mr. Yogesh Kumar is a person of integrity, possesses the relevant expertise and experience, fulfills the conditions specified in the said Act and the Rules made there under and is independent of the management of the Company. Notice as required under Section 160 of the Companies Act, 2013 has been received from a member proposing the candidature of the Mr. Yogesh Kumar as Independent Director of the Company. The appointment shall also be formalized by the issue of a letter of appointment by the Company to the said Independent Director. Further, in terms of Section 149(13) of the said Act, Independent Director is not liable to retire by rotation.

The approval of members by way of Ordinary Resolution is hereby solicited for the appointment of Mr. Yogesh Kumar as Independent Director of the Company for a period of 5 years with effect from 14th August, 2017 to 13th August 2022, as set out at **Item No. 5** of this Notice. Brief profile of the said Independent Director, in terms of Regulation 36 of the Listing Regulations read with Secretarial Standard-2 on General Meetings is provided after this Notice as "**Annexure-A**".

Copy of the draft letter for appointment of Mr. Yogesh Kumar as an Independent Director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the Registered Office and Corporate Office of the Company during business hours on any working day, upto the date of Annual General Meeting.

Except Mr. Yogesh Kumar 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 accordingly recommends the **Resolutions at item no 5** of this notice for the approval of the members as an **Ordinary Resolution**.

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

**Place : New Delhi
Date : 14.08.2017**

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh-203205
Phone : 05735-222568

**Sd/-
Shefali Sharma
Company Secretary
Membership No. - 44902**

Corporate Office:
F-32/3, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone : 011-42524454

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. 4 & 5

S. No.	Particulars	Name of Directors	
		Mr. Syed Azizur Rahman	Mr. Yogesh Kumar
1.	DIN No.	00242790	07216171
2.	Date of Birth	15 th October, 1962	1 st July, 1965
3.	Age	54 Years	52 Years
4.	Date of Appointment on the Board	14 th March, 2016	14 th August, 2017
5.	Qualifications	Mechanical Engineer	Chartered Accountant (CA)
6.	Experience in specific functional area	He has 29 years of experience in manufacturing inclusive of 19 years as Unit Head/Business head	He has 27 years of rich experience in Finance and Accounts.
7.	No. of equity shares held in the Company (as on 31st March, 2017)	100 shares	NIL
8.	List of other Directorships	1. Suraj Industries Ltd. 2. Gold Coin Marketing Private Limited	Magnum Hospitality Private Limited
9.	Membership/Chairmanship of Committees of the other Companies	Suraj Industries Ltd: <ul style="list-style-type: none"> • Audit Committee- Member • NRC- Member • Stakeholders Relationship Committee- Member 	No
10.	Relationships, between Directors inter se	No	No

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

**Place : New Delhi
Date : 14.08.2017**

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh-203205
Phone : 05735-222568

Corporate Office:
F-32/3, Okhla Industrial Area,
Phase-II, New Delhi-110020
Phone : 011-42524454

**Sd/-
Shefali Sharma
Company Secretary
Membership No- 44902**

DIRECTOR'S REPORT

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

Your Directors are hereby present their Report on Company's Business Operations along with the Audited Statement of Accounts for the year ended on March 31, 2017.

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:

	(Rs. in Lacs)	
Particulars	2016-2017	2015-2016
Income from Operations	68.86	-
Other Incomes	8.85	0.21
Profit/(Loss) before Depreciation & Extra-Ordinary Items	(121.89)	(17.91)
Depreciation	(21.22)	(24.01)
Extraordinary Items		
- Prior Period Expenses	-	(20.91)
- Old & unusable materials written off	(135.13)	-
Net Profit (Loss) after depreciation before tax	(278.24)	(62.83)
Provision for Taxation		
Income Tax	-	-
Net Profit/(Loss) after tax for the year	(278.24)	(62.83)

PERFORMANCE OF BUSINESS

During the year ended, the Company has incurred loss of Rs. 278.24 lacs as compared to the loss of Rs.62.83 lacs in last year.

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.

Thereafter the company had submitted a Modified Rehabilitation Scheme to Hon'ble BIFR so that the company could resume its operations and come out of sickness. In the meantime the Government of Uttar Pradesh pronounced a one-time policy for the revival of the sick units in the State. The company submitted its application to the Government for the grant of relief and concessions as per this policy. The company also submitted an application to Hon'ble BIFR with a prayer directions be issued to the Government of Uttar Pradesh for the grant of relief and concessions as per its one-time policy for the revival of the sick units in the State. The Hon'ble BIFR passed the orders in this regard in the hearings held on

25.07.2016 & 20.10.2016. Thereafter, the Government of Uttar Pradesh also issued a GO on 29.12.2016 granting the relief and concessions to the company as per its one-time policy for the revival of the sick units in the State. As per this Order the company has been granted further time for the payment of the past dues of Commercial Tax Department, PICUP and Paschimanchal Vidyut Vitran Nigam Ltd (PVVNL). In addition to this facility of reimbursement has been granted in respect some portion of the VAT, GST etc. that would be deposited by the company in future.

Apart from this as a part of the rehabilitation scheme the company has been permitted to set up a Distillery unit with Bottling Plant for IMFL & Country Liquor at Sandila, Dist. Hardoi. The company has already been allotted land by UPSIDC in Sandila Industrial Area for setting up the unit. The setting up of the new unit would help in the revival of the company.

Based on these developments the company resumed its manufacturing operations on a limited scale during the year under review. The operations would be gradually scaled up once PVVNL restores the power connection to the unit and some essential modifications, additions and technological up gradations are carried out in the existing plant and equipment.

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

Mr. Janeshwar Kumar Jain, Whole Time Director of the company expired on 15th November, 2016. The Board places on record its appreciation of the immense contribution by Mr. Janeshwar Kumar Jain as Whole Time Director of the Company. After his death there was a casual vacancy in the office of Whole Time Director. Thereafter Mr. Syed Azizur Rahman, Director of the Company was appointed as Whole Time Director of the Company with effect from 9th May, 2017.

Mr. Syed Azizur Rahman, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible offers himself for re-appointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing AGM.

The Board has appointed Ms. Shefali Sharma as Company Secretary of the company w.e.f October 03, 2016 pursuant to the provisions of section 203 of the Companies Act, 2013 read with Rule 8A of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014, and in accordance with the provisions of Articles of Association of your Company.

Pursuant to the provision of Section 203 of Companies Act, 2013 read with all the relevant applicable rules your Company was required to appoint Chief Financial Officer (CFO). Further the Board of Directors at its meeting held on 14th August, 2017 has appointed Mr. Anil Kumar Gupta as Chief Financial Officer

of the Company.

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with relevant applicable rules your company required to appoint an Internal Auditor. Further the Board of Directors at its meeting held on 14th August, 2017 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company.

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 the provisions of section 135 of the Companies Act, 2013.

DETAILS OF SUBSIDIARIES/ JOINT VENTURE AND ASSOCIATE COMPANY

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable Accounting standards have been followed and that there are no material departures.
- ii) The Directors have been 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, 2017 and of the profit or loss of the Company for the year ended March 31, 2017.
- 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 basis.
- 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 the 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

In terms of the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules,

2014, an audit firm can hold office as statutory auditor for two terms of five consecutive years i.e. for a maximum period of ten years. They can be re-appointed after a cooling period of five years. In computing the period of ten years, the period for which the auditor held office before the commencement of the Act i.e. before 1st April, 2014 is also to be taken into account.

At the 27th AGM of your Company, the shareholders had approved the appointment of M/s Tas Associates, Chartered Accountants (Firm registration No. 010520N) as the Statutory Auditors to hold office till the conclusion of the 28th AGM. M/s Tas Associates, Chartered Accountants have been the Statutory Auditors of your company for a continuous period of 9 years from 2005-06 to 2013-14, after a gap of one year they were reappointed as Statutory Auditors from financial year 2015-16 to 2016-17.

M/s Tas Associates, Chartered Accountants has been in office for more than ten years and in compliance with the provisions of the Companies Act, 2013 your Company will have to appoint a new auditor in their place. The Board of Directors at its meeting held on 14th August 2017, recommended the appointment of **M/s. Satendra Rawat & Co. Chartered Accountants**, (Firms registration no. 008298C) as Statutory Auditors of your Company in place of M/s. Tas Associates, Chartered Accountants, to hold office from the conclusion of this AGM until the conclusion of the 33rd AGM of your Company, subject to the ratification by the Members at every AGM. Resolutions seeking your approval on this item is included in the Notice convening the AGM.

The Company has received the requisite certificate from M/s Satendra Rawat & Co. Chartered Accountants, to the effect that their appointment, if effected, would be in accordance with the provisions of section 139(2) of the Companies Act, 2013 and rules made thereunder.

AUDIT REPORT

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

Auditors Remark – 1

In the Auditors Report under point (a) of matter of emphasis it has been stated that “with reference to note no 4, 5, 9 & 25, these accounts have been prepared without any provision of interest on the overdue amount of interest free loan in lieu of Trade Tax of Rs.446.00 lacs from PICUP and on overdue principal amount of deferred Trade Tax amounting to Rs. 3016.09 lacs, in accordance with the UP Govt. Order dated 29.12.2016, waiving all accumulated interest and future interest, subject to fulfillment of the conditions & adherence to revised schedule of repayment.

Board’s Reply

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

As per the Government Order dated 29.12.2016 issued by the Government of Uttar Pradesh, the interest charged by PICUP and Commercial Tax Department on these amounts has already been waived and no interest is payable in future. Accordingly no interest is payable by the company and provision is not required to be made, unless any default is made by the company as per the terms of the said UP Govt. order for commencing repayment in 10 annual installments

after initial moratorium of 2 years.

Auditors Remark – 2

In the Auditors Report under point (b) of matter of emphasis it has been stated that “with reference to Note 5 & 24, charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges accumulating in aggregate to Rs 2243.06 lacs levied by Paschimanchal Vidyut Vitran Nigam has not been provided for in these accounts as it has been waived by the Government of Uttar Pradesh vide its order dated 29.12.2016. The waiver is subject to the approval of the Uttar Pradesh Electricity Regulatory Commission for which the petition has already been filed.”

Board's Reply

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

The Government of Uttar Pradesh vide its Order dated 29.12.2016 has waived the minimum demand charges as well as the surcharge levied by Paschimanchal Vidyut Vitran Nigam Ltd. This waiver was subject to the approval of Uttar Pradesh Electricity Regulatory Commission (UPERC). The UPERC in its hearing held on 14.06.2017 has passed the appropriate order waiving the minimum demand charge as well as interest & surcharge charged by Paschimanchal Vidyut Vitran Nigam on the deferred power charges and minimum demand charge.

Auditors Remark – 3

In the Auditors Report under point (c) of matter of emphasis it has been stated that “with reference to Note no. 26 that the company suspended its manufacturing activities since 25.03.2010 and accordingly declared ‘lay off’ for indefinite period. During the current year the company has partially resumed its manufacturing operations which shall be gradually scaled up. Such long suspended activities, partial resumption of operations 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 re-establish its full operations, severally affecting the ‘going concern assumption’. However, these accounts have been prepared by the management on ‘going concern assumption’ in view of the UP Govt. order No 1571/77-1-2016-10 (BIFR)/2009TC dated 29.12.2016, as explained in the said note 26.”

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. The Government of Uttar Pradesh had formulated a revival policy for the sick units in the State. In pursuance to this policy the Government has sanctioned a rehabilitation package vide its Order dated 29.12.2016 vide which the payment of the various Government dues have been rescheduled, interest thereon has been waived and relief and concessions have been given in respect of future Government

dues. In view of this rehabilitation package the company has partially resumed its manufacturing operations during the year which shall be gradually scaled up. Therefore, the accounts have been prepared on the Going Concern Assumption.

Auditors Remark – 4

In the Auditor's Report under point (1) 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, Government of Uttar Pradesh has sanctioned a rehabilitation package vide its Order dated 29.12.2016 vide which the payment of the various Government dues have been rescheduled, interest thereon has been waived and relief and concessions have been given in respect of future Government dues. In view of this rehabilitation package the company has partially resumed its manufacturing operations during the year which shall be gradually scaled up. The company in the current year would complete the pending Capital work and the amount of Rs. 9.96 lacs shown as “Capital Work in Progress” would be accordingly capitalized.

Auditors Remark – 5

In the Auditor's Report under point (2) 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. 3.00 lacs (accumulated Rs.20.25 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. 20.25 lacs.”

Board's Reply

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

The deposit was accepted by the company in compliance of the provisions of the Companies Act & Rules prevalent at the time of acceptance of deposit. However 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 is in discussions with the depositor for waiver of the interest and repayment of the deposit in installments.

Auditors Remark – 6

In the Auditor's Report under point (3) 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 were suspended, the entire plant was put under lock and key and periodically the plant was opened to check the condition and the physical status of the machinery and equipment's by way of visual examination. 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 – 7

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 over a long period 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 were 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 were suspended, the entire plant was put under lock and key and periodically the plant was opened to check the condition and the physical status of the machinery and equipment's. On such periodic inspections no adverse fact was noticed.

Auditors Remark – 8

At para 5 of Annexure A of the Auditor's Report it has been stated that “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

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

The deposit was accepted by the company in compliance of the provisions of the Companies Act & Rules prevalent at the time of acceptance of deposit. However 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 is in discussions with the depositor for waiver of the interest and repayment of the deposit in installments.

Auditors Remark – 9

At para 7(a) of Annexure A of 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 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 as explained in note no. 25 of these financial statements.
- (ii) Excise Duty amounting to Rs 15.68 lacs;
- (iii) Penalty on Excise Duty amounting to Rs 15.68 lacs;
- (iv) Employees' State Insurance amounting to Rs 4.21 lacs.

Board's Reply

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

1. As per the Government of Uttar Pradesh order dated 29th December, 2016 the deferred trade tax & VAT is to be paid in 10 annual installments after a moratorium period of 2 years.
2. The Hon'ble BIFR vide its order dated 25th July, 2016 has directed the Excise Department & ESI Department to consider the company's request for payment of arrears of Excise Duty & Employees State Insurance in installments and waiver of penalty thereon as per their standard package of relief & concession announced by them for sick industrial companies.

SECRETARIAL AUDITOR

In accordance with the provisions of Section 204 and Section 134(3) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Board had appointed M/s Monika Kohli & Associates, Company Secretaries, as Secretarial Auditor of the Company to undertake the Secretarial Audit functions of the Company.

The Secretarial Audit Report in prescribed form MR-3 for the financial year ended on March 31, 2017 forms part of the Annual Report is annexed as **Annexure “B”**.

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 during the period.

Board's Reply

Since the manufacturing operations were suspended and the volumes of transactions are very less and the company is a loss making entity, therefore, it was not feasible to appoint internal auditor. However, the internal controls were adequately exercised during the Financial Year ended March 31, 2017. The Board of Directors at its meeting held on 14th August, 2017 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company in compliance of the provisions of Companies Act, 2013.

Secretarial Auditors Remark – 2

The Company was required to appoint Managing Director/ Manager/Chief Executive Officer/Whole-time Director, Chief Financial Officer and Company Secretary pursuant to section 203 of the Companies Act, 2013. Further the Registrar of Companies, Uttar Pradesh, Kanpur has issued show cause notice TC/203/11004/673 dated 05.05.2016 regarding non appointment of Key Managerial Personnel in pursuant to Section 203 of the Companies Act, 2013. Thereafter, the company has appointed Company Secretary w.e.f. October 3, 2016. However, the company has no CEO/Managing Director/ Whole Time Director and Chief Financial Officer as on March 31, 2017.

Board's Reply

As stated in the Directors Report there were 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 was trying their best to revive the Company and during the period it has resumed its manufacturing operations but at very low scale. Mr. Janeshwar Kumar Jain, who was appointed as Whole Time Director of the Company on 27/12/2010 to fulfill the requirements of Section 203(1) (i) of the Companies Act, 2013 expired on November 15, 2016 and as a result a vacancy arose in the office of Whole Time Director. Mr. Syed Azizur Rahman, Director of the Company was appointed as Whole Time Director of the Company with effect from May 9, 2017.

Thereafter the Board of Directors at its meeting held on August 14, 2017 has appointed Mr. Anil Kumar Gupta as Chief Financial Officer (CFO) of the Company in compliance of the Companies Act, 2013.

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. Also during the year Company has received communications through emails from Listing Department, BSE Limited mentioning observation / pending compliance(s) of Listing requirement & the Company has submitted its replies from time to time in response to the letters received from BSE Limited, however approval for resumption of trading in equity is yet to be received from BSE Limited.

Board's Reply

The Company was 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

The deposit was accepted by the company in compliance of the provisions of the Companies Act & Rules prevalent at the time of acceptance of deposit. However 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 is in discussions with the depositor for waiver of the interest and repayment of the deposit in installments.

Secretarial Auditors Remark – 5

It is observed that the promoter's 100% equity shares in the company are not in demat form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (LODR).

Board's Reply

The Company has been allotted ISIN by CDSL for dematerialization of the Company's Shares. The Company has also made an application to NSDL for obtaining ISIN from NSDL which is under process. The Company had made request to all the shareholders including promoters through notice of last Annual General Meeting requesting them to dematerialize their shares. Similar request to all shareholders including promoters is being made in the notice of ensuing Annual General Meeting which is being sent to all the shareholders and will also make necessary advertisement through public notice requesting members to dematerialize their shares. The promoter's shareholding to the extent of 66.19% has been dematerialized during the month of July, 2017. The Management will also follow up with the promoters to get their balance shares dematerialized to make the Company compliant as per LODR.

Secretarial Auditors Remark – 6

As per regulation 17(8) of LODR the Company is required to obtain certificate from CEO/ CFO, however it is observed that the said certificate has been obtained from the then Whole Time Director of the Company.

Board's Reply

As the Company was a Sick industrial Company registered with BIFR and its manufacturing operations were suspended since 25th March, 2010, the position of CEO/CFO was vacant. In absence of CEO/CFO Mr. J K Jain, the then Whole Time Director of the Company had submitted certificate, in terms of Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, to the Board.

Secretarial Auditors Remark – 7

As per General Order No.1 of 2015 dated 20 July 2015 of SEBI (Prohibition on Raising Further Capital From Public and Transfer of securities of Suspended Companies) under section 11A read with section 11 of the Securities and Exchange Board of India Act 1992, suspended company and the depositories shall not effect transfer, by way of sale ,pledge etc.of shares of suspended company held by promoters /promoters group and Directors till three months after the date of revocation of suspension by the concerned recognized stock exchange. However it is observed that during the financial year there has been inter se transfer of shares amongst the promoters of the company.

Board's Reply

During the period the promoters of the Company had not sold any shares to public, there were certain inter-se transfer of shares only amongst promoters and promoters group. The promoters as well as the Company had filed timely necessary disclosure pursuant to Regulations 7(2) SEBI (Prohibition of Insider Trading) Regulations, 2015 and disclosure under Regulation 29(2) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations with the exchange.

Secretarial Auditors Remark – 8

The Company has resumed its manufacturing operations during the period and is in the process of obtaining requisite permissions from the State Pollution Control Board for its manufacturing unit.

Board's Reply

As stated in the Directors Report your company has resumed its manufacturing operations during the period. Your company is in the process of filing the requisite application with the UP State Pollution Control Board.

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, 2017, 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 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. 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.

Since 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 May30,2016.

NUMBER OF BOARD MEETINGS

During the financial year 2016-17, eight (8) Board Meetings were held. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The details of all Board / Committee meetings held during the year are given in the Corporate Governance Report.

CORPORATE GOVERNANCE DISCLOSURE

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 the compliance with the conditions of Corporate Governance, as stipulated in Regulation 34(3) read with Clause C of Schedule V of the SEBI (Listing Obligations 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 Obligations 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 year ended March 31, 2017. The code of conduct is available on our website (<http://www.shrigangindustries.com>).

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The company has in place a formal policy for prevention of sexual harassment of women employees in line with "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the company has not received any complaint of sexual harassment.

DECLARATION BY INDEPENDENT DIRECTOR(S)

The Company has received necessary declaration from each Independent Director 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 the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25(3) of the **SEBI (Listing Obligations and Disclosure Requirements) Regulation,**

2015, a separate meeting of the Independent Directors was held on March 20, 2017.

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'S

Pursuant to the requirements of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted the following Committees:

1. Audit Committee;
2. Nomination & Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Independent Directors 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 Obligations and Disclosure Requirements) Regulation, 2015.

The details of policy are mentioned in Corporate Governance Report. There is no change in the policy since last financial year. The policy is available on our company's website (<http://www.shrigangindustries.com/policy.html>).

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.

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. The company is in discussion with the depositor for the waiver of the interest and re-payment of deposit in instalments.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management discussion and analysis report is set out in this Annual Report as "Annexure D".

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

Information under Section 134(3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rule, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure "E" forming part of this report.

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 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, performance of Independent Directors and that of its Committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders 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

As stated above, the Company proposes to set up a Distillery unit with Bottling Plant for IMFL & Country Liquor at Sandila, Dist. Hardoi for which it has received the requisite permission/licence. The company has been allotted land by UPSIDC in Sandila Industrial Area for setting up the unit. The setting up of the new unit would help in the revival of the company.

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 of the 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.shrigangindustries.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.
- During the year under review Ms. Shefali Sharma was appointed as Company Secretary w.e.f 3.10.2016 and was paid a remuneration of Rs. 116930/-.
- There were no permanent employee on the rolls of the company during last year. During the year under review the company has restarted its manufacturing operations and fresh appointments were made during the year. The total number of permanent employees on the rolls of the Company as on 31st March 2017 were twenty three (23) including the Company Secretary.
- 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.

INDUSTRIAL RELATIONS

The Industrial Relations have continued to be stable and harmonious during the course of the year.

ACKNOWLEDGEMENT

Your Directors would like to express their gratitude and appreciation for the assistance and cooperation received from its Bankers, Auditors and other constituents 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: 14.08.2017**

**Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director
DIN: 00242790
Add: Flat B-104 (FF),
Ananda Apartment, Sector-48,
Noida, Uttar Pradesh- 201301**

**Registered office:
A-26, UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh-203205**

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

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (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-203205 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, 99 Madangir, 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 Company Product/service	% to total turnover of the company
1.	Sale of edible oils	46305	100

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 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	1822380	1822380	22.98	NIL	2488005	2488005	31.37	8.39
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	445000	445000	5.61	NIL	95000	95000	1.20	(4.41)
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub- total (A) (1):-	NIL	2267380	2267380	28.59	NIL	2583005	2583005	32.57	3.98
(2) Foreign									
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	2267380	2267380	28.59	NIL	2583005	2583005	32.57	3.98

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	22.19	NIL	2255600	2255600	28.45	6.26
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	3400	2469810	2473210	31.19	(0.43)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	1210210	1210210	15.27	NIL	432385	432385	5.46	(9.81)
c)Others NRI	NIL	1300	1300	0.01	NIL	1300	1300	0.01	NIL
Sub-total (B)(2):-	NIL	5483120	5483120	69.15	3400	5164095	5167495	65.17	(3.98)
Total Public Shareholding (B)=(B)(1)+(B)(2)	NIL	5662620	5662620	71.41	3400	5343595	5346995	67.43	(3.98)
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	3400	7926600	7930000	100.00	NIL

ii) Shareholding of Promoters-

S. No.	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	Suraj Prakash Gupta	200240	2.53	NIL	723065	9.12	NIL	6.59
2	Anita Gupta	145180	1.83	NIL	586780	7.40	NIL	5.57
3	Ritesh Gupta	269800	3.40	NIL	269800	3.40	NIL	NIL
4	Vikas Gupta	130000	1.64	NIL	130000	1.64	NIL	NIL
5	Anju Arora	125000	1.58	NIL	125000	1.58	NIL	NIL
6	Kusum Lata Arora	110000	1.39	NIL	110000	1.39	NIL	NIL
7	Ashok Gupta	98825	1.25	NIL	98825	1.25	NIL	NIL
8	Nishi Arora	96400	1.22	NIL	96400	1.22	NIL	NIL

S. No.	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	
9	Shailesh Gupta	95325	1.20	NIL	95325	1.20	NIL	NIL
10	Ajay Gupta	94500	1.19	NIL	94500	1.19	NIL	NIL
11	Sidhartha Gupta	92000	1.16	NIL	92000	1.16	NIL	NIL
12	Parveen Kumari	66300	0.84	NIL	66300	0.84	NIL	NIL
13	Universal Share Trading Co Ltd	95000	1.20	NIL	95000	1.20	NIL	NIL
14	Vinod Gupta	10	0	NIL	10	0	NIL	NIL
15	Mother Mira Industries Limited	250000	3.15	NIL	NIL	NIL	NIL	(3.15)
16	Ramesh Gupta	45800	0.58	NIL	NIL	NIL	NIL	(0.58)
17	Janeshwar Kumar Jain	138000	1.74	NIL	NIL	NIL	NIL	(1.74)
18	Rakesh Dutta	115000	1.45	NIL	NIL	NIL	NIL	(1.45)
19	Almondz Global Securities Limited (Formerly Allianz Securities Limited)	100000	1.26	NIL	NIL	NIL	NIL	(1.26)

iii) Change in Promoters' Shareholding:-

S. No.	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.	Rakesh Dutta				
	At the beginning of the year	115000	1.45	115000	1.45
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
	Less: Transfer on 21.07.2016	-	-	115000	1.45
	At the end of the year	-	-	-	-
2.	Mother Mira Industries Limited				
	At the beginning of the year	250000	3.15	250000	3.15
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
	Less: Transfer on 21.07.2016	-	-	250000	3.15
	At the end of the year	-	-	-	-
3.	Ramesh Gupta				
	At the beginning of the year	45800	0.58	45800	0.58
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
	Less: Transfer on 25.07.2016	-	-	45800	0.58
	At the end of the year	-	-	-	-
4.	Janeshwar Kumar Jain				
	At the beginning of the year	138000	1.74	138000	1.74

S. No.	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
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
Less:	Transfer on 25.07.2016	-	-	138000	1.74
	At the end of the year	-	-	-	-
5.	Almondz Global Securities Limited (Formerly Allianz Securities Limited)				
	At the beginning of the year	100000	1.26	100000	1.26
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
Less:	Transfer on 24.10.2016	-	-	100000	1.26
	At the end of the year	-	-	-	-
6.	Suraj Prakash Gupta				
	At the beginning of the year	200240	2.53	200240	2.53
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
Add:	(a) Transfer on 21.07.2016 & (b) Transfer on 24.10.2016	-	-	422825 100000	5.33 1.26
	At the end of the year	-	-	723065	9.12
7.	Anita Gupta				
	At the beginning of the year	145180	1.83	145180	1.83
	Date wise Increase / Decrease in Promoters Shareholding during the year:				
Add:	(a) Transfer on 21.07.2016 & (b) Transfer on 25.07.2016	-	-	250000 191600	3.15 2.42
	At the end of the year	-	-	586780	7.40

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

S. No.	Name of the 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.	Survi Trade & Agency Private Limited				
	At the beginning of the year	-	-	-	-
Add:	Date wise Increase / Decrease in Shareholding during the year : Transfer on: 23.02.2017	-	-	1190000	15.01
	At the end of the year	-	-	1190000	15.01
2.	VRV Foods Limited				
	At the beginning of the year	390000	4.92	390000	4.92
	Date wise Increase / Decrease in Shareholding during the year:				
		-	-	-	-
	At the end of the year	390000	4.92	390000	4.92
3.	Magnum Sugars and Allied Products Private Limited				
	At the beginning of the year	-	-	-	-

S. No.	Name of the 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
	Date wise Increase / Decrease in Shareholding during the year: Transfer on: 21.07.2016	-	-	315000	3.97
	At the end of the year	-	-	315000	3.97
4.	Rachna Agrawal				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year: Transfer on : (a) 21.07.2016 (b) 05.08.2016 (c) 18.10.2016	-	-	174200	2.19
		-	-	97545	1.23
		-	-	30540	0.39
	At the end of the year	-	-	302285	3.81
5.	CBK Financiers Pvt Limited				
	At the beginning of the year	176000	2.22	176000	2.22
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	176000	2.22	176000	2.22
6.	CRB Corporation Limited				
	At the beginning of the year	100000	1.26	100000	1.26
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	100000	1.26	100000	1.26
7.	Administrator of the Specified Stock holding Corporation of India Limited				
	At the beginning of the year	66500	0.84	66500	0.84
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	66500	0.84	66500	0.84
8.	Sandeep Agrawal				
	At the beginning of the year	236000	2.98	236000	2.98
	Date wise Increase / Decrease in Shareholding during the year: Transfer on : 23.02.2017	-	-	180000	2.27
	At the end of the year	-	-	56000	0.71
9.	ICICI Trusteeship Services Limited				
	At the beginning of the year	50000	0.63	50000	0.63
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	50000	0.63	50000	0.63
10.	IFCI				
	At the beginning of the year	50000	0.63	50000	0.63
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	50000	0.63	50000	0.63

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	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.	Janeshwar Kumar Jain * - Director				
	At the beginning of the year	138000	1.74	138000	1.74
	Date wise Increase / Decrease in Shareholding during the year:	-	-	138000	1.74
	Less: Transfer on: 25.07.2016				
	At the end of the year	-	-	-	-
2.	Syed Azizur Rahman - Director				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year:				
	Add: Transfer on : 20.08.2016	-	-	100	0.001
	At the end of the year	-	-	100	0.001

(*) Mr. Janeshwar Kumar Jain expired on 15th November, 2016.

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

(Rs. in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	446.00	360.30	30.00	836.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	446.00	360.30	30.00	836.30
Change in Indebtedness during the financial year				
* Addition	-	1177.10	-	1177.10
* Reduction	-	5.00	-	5.00
Net Change	-	1172.10	-	1172.10
Indebtedness at the end of the financial year				
i) Principal Amount	446.00	1501.80	30.00	1977.80
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	30.60	-	30.60
Total (i+ii+iii)	446.00	1532.40	30.00	2008.40

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:**

(In Rs.)

S. No	Particulars of remuneration	Key Managerial Personnel		
		CEO	CS(*)	CFO
1.	Gross Salary			
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	-	109807	-
	(b) Value of perquisites u/s 17(2) Income –Tax Act, 1961	-	7123	-
	(c) Profits in lieu of salary under section 17(3) Income Tax- Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	Others specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	116930	-

(*) Ms. Shefali Sharma appointed as Company Secretary w.e.f 3rd October, 2016.

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 : 14.08.2017

Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director
DIN: 00242790
Add: Flat B-104 (FF),
Ananda Apartment,
Sector-48, Noida,
Uttar Pradesh- 201301

Registered Office:
A-26, UPSIDC Industrial Area,
Sikandrabad, Bulandshahar,
Uttar Pradesh-203205

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2017

[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,
Sikandrabad, Bulandshahar,
Uttar Pradesh-203205

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, 2017 (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, 2017 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 was declared Sick Industrial Company since May 2001. Thereafter 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. During the period, the Board of Industrial and Financial Reconstruction (BIFR) vide order dated July 25, 2016 read with further order dated October 20, 2016 had directed the Government of UP to extend relief & concession to the Company as per its policy for revival of sick units in the state and thereafter the Government of Uttar Pradesh, vide UP Government Order no. 1571/77-1-2016-10 (BIFR) 2009TC dated 29.12.2016 has granted /extended those relief & concessions to the Company. During the year, the Company has resumed its manufacturing operations on a limited scale. Hence certain specific laws were applicable during the period as mentioned below.

VI OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY DURING THE PERIOD AS IDENTIFIED BY THE MANAGEMENT:

- 1) Foods Safety & Standards Act, 2006;
- 2) Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;

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 during the period.*
2. *The Company was required to appoint Managing Director/ Manager/Chief Executive Officer/Whole-time Director, Chief Financial Officer and Company Secretary pursuant to section 203 of the Companies Act, 2013. Further the Registrar of Companies, Uttar Pradesh, Kanpur has issued show cause notice TC/203/11004/673 dated 05.05.2016 regarding non appointment of Key Managerial Personnel in pursuant to Section 203 of the Companies Act, 2013. Thereafter, the company has appointed Company Secretary w.e.f. October 3, 2016. However, the company has no CEO/Managing Director/ Whole Time Director and Chief Financial Officer as on March 31, 2017.*
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. Also during the year Company has received communications through emails from Listing Department, BSE Limited mentioning observation /pending compliance(s) of Listing requirement & the Company has submitted its replies from time to time in response to the letters received from BSE Limited, however approval for resumption of trading in equity is yet to be received from 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. *It is observed that the promoter's 100% equity shares in the company are not in demat form which is in non-compliance of Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (LODR).*
6. *As per regulation 17(8) of LODR the Company is required to obtain certificate from CEO/ CFO, however it observed that the said certificate has been obtained from the then whole time Director of the Company.*
7. *As per General Order No.1 of 2015 dated 20 July 2015 of SEBI (Prohibition on Raising Further Capital From Public and Transfer of securities of Suspended Companies) under section 11A read with section 11 of the Securities and Exchange Board of India Act 1992, suspended company and the depositories shall not effect transfer, by way of sale ,pledge etc., of shares of suspended company held by promoters /promoter group and directors till three months after the date of revocation of suspension by the concerned recognized stock exchange. However it is observed that during the financial year there has been inter se transfer of shares amongst the promoters of the company.*
8. *The Company has resumed its manufacturing operations*

during the period and is in the process of obtaining requisite permissions from the State Pollution Control Board for its manufacturing unit.

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. except the following:

1. Approval of Board of Directors was accorded at its Board Meeting held on November 12, 2016 to diversify its business activities by way of setting up a grain based distillery with bottling plant for IMFL & country liquor in the state of Uttar Pradesh with an investment of approximate Rs.126 Crore (Rs. One Hundred Twenty Six Crores) including land, building and plant & machinery etc.
2. Approval of Board of Directors was accorded u/s 179(3) of the Companies Act, 2013 at its Board Meeting held on February 13, 2017 subject to the approval of shareholders to borrow money from Banks/Financial Institutions/ NBFC's/Bodies Corporates including the money already borrowed by the Company upto an aggregate amount not exceeding Rs. 100 Crores.
3. Special Resolution under section 180(1)(c) of the Companies Act, 2013 was passed by the members at its general meeting held on March 25, 2017 to borrow money from time to time with or without security together with money already borrowed by the Company not exceeding Rs.100 crores.

**For MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

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

Date: 14.08.2017
Place: New Delhi

To,
The Members,
M/s Shri Gang Industries and Allied Products Limited
CIN: L01112UP1989PLC011004
A-26, UPSIDC, Industrial Area Sikandrabad
Bulandshahar, Uttar Pradesh- 203205

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2017 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.

**For MONIKA KOHLI &ASSOCIATES
COMPANY SECRETARIES**

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

**Date: 14.08.2017
Place: New Delhi**

REPORT ON CORPORATE GOVERNANCE

“Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society.”

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

A. Meeting and Composition of Board of Directors:

As at 31st March, 2017 our Board had 5 Non- Executive Directors out of which three Directors are Independent Directors, one Director is professional Director and one Director is Non-Executive Non Independent Director. The Board's actions and decisions are aligned with the Company's best interests. It is committed to the goal of sustainably elevating the Company's value creation. The board reviews include strategic review from each of the Committees, a detailed analysis and review of annual strategic and operating plans, capital allocation and budgets.

The Board met 8 times during the financial year 2016-17. The periodicity between two Board Meetings was within the maximum time gap as prescribed in the Listing Regulations / Companies Act, 2013. Details of Board Meetings held during the financial year 2016-17 is as under:

Date of Board Meeting	Board Strength	No. of Directors present in the Meeting
May 30, 2016	6	4
August 12, 2016	6	3
September 03, 2016	6	6
November 12, 2016	6	3
November 30, 2016	5	3
December 17, 2016	5	3
January 27, 2017	5	3
February 13, 2017	5	3

The composition of the Board of Directors, relationship between Directors inter se and the Directorships/ Membership in the Board/ Committees, respectively of other companies (Excluding Shri Gang) is as under:

Name of Directors	Category	Relationship With Other Directors	No. of Positions held in other Companies			Attendance at the Board Meeting	Attendance at the last AGM held on 29.09.2016
			Board	Committee			
				Membership	Chairmanship		
Mr. Janeshwar Kumar Jain	Whole Time Director(*)	None	-	-	-	3	Yes
Mr. Narendra Singh Bisht	Non-Executive Independent Director	None	10	3	3	8	Yes
Mr. Rajesh Kumar Gupta	Non-Executive Independent Director	None	-	-	-	2	No
Mr. GyanChand Jain	Non-Executive Independent Director	None	-	-	-	1	No
Mrs. Suchi Bahl	Non-Executive Non Independent Director	None	2	1	-	6	No
Mr. Syed Azizur Rahman	Non-Executive Non Independent Director	None	2	2	-	8	Yes

(*)Mr. Janeshwar Kumar Jain expired on 15th November, 2016

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) Regulations, 2015.

B. 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.

During the year, Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company which has potential conflict with the interest of the Company at large, other than holding shares of the Company.

C. 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:

In compliance with the provisions of Regulation 25(7) of the SEBI Listing Regulations, Independent Directors are familiarized about the company, through various programmes from time to time, including the following:

- (a) Nature of the industry in which the company operates;
- (b) Business model of the company;
- (c) Roles, rights, responsibilities of independent Directors; and
- (d) Any other relevant information.

The policy on the familiarization programmes for Independent Directors has been uploaded on the Company's website at given below link:

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

3. AUDIT COMMITTEE

The Composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 read with the provisions of Regulation 18 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

The composition of Audit Committee and the attendance of its members during the financial year 2016-17 is as follows:

Name of the Members	Designation	No. of Meetings held during the year 2016-17	Attendance at the meetings held during the year 2016-17
Mr. Narendra Singh Bisht	Chairman	5	5
Mr. Rajesh Kumar Gupta	Member	5	2

Mr. Janeshwar Kumar Jain*	Member	4*	3
Mr. Syed Azizur Rahman**	Member	1**	1

(*) Mr. Janeshwar Kumar Jain expired on 15th November, 2016. During this period i.e. from 1st April, 2016 to 15th November, 2016 four (4) meetings were held.

(**) Mr. Syed Azizur Rahman was appointed as a Member of Audit Committee w.e.f. 30th November, 2016. During this period i.e. from 30th November, 2016 to 31st March, 2017 only one (1) meeting was held.

The Company has duly constituted an Audit Committee, the scope of which is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013. During the year, (5) five Audit Committee meetings were held. The details of Audit committee meetings held during the year are given below-

Date of Audit Committee Meetings held	Strength	No. of Members present in the Meeting
May 30,2016	3	2
August 12,2016	3	2
September 03, 2016	3	3
November 12,2016	3	2
February 13,2017	3	2

During the year due to the death of Mr. Janeshwar Kumar Jain, (Whole Time Director) of the Company, he ceased to be a member of the Audit Committee, and in order to comply with the requirements of the provisions of Companies Act, 2013 and rules made thereunder along with regulation 18 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Mr. Syed Azizur Rahman, Non-Executive Director of the Company was appointed as one of the member of this committee in place of Mr. Janeshwar Kumar Jain.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The audit committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors, and notes the process and safeguards employed by each of them.

The Audit Committee has powers to:

- investigate any activity within its terms of reference
- seek information from any employee
- Obtain outside legal or other professional advice, and
- secure attendance of outsiders with relevant expertise wherever it considers necessary

Terms of Reference:

The roles, powers and functions of the Audit Committee of Shri Gangare in accordance with the provisions of Section

177 of the Companies Act, 2013, read with Regulation 18 and Part-C of Schedule II of the SEBI Listing Regulations.

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

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - matters required to be included in the director's responsibility statement to 65 be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
7. Approval or any subsequent modification of transactions of the listed entity with related parties;
8. Scrutiny of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
10. Evaluation of internal financial controls and risk management systems;
11. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
12. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
13. Discussion with internal auditors of any significant findings and follow up there on;
14. 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;
15. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well

- as post-audit discussion to ascertain any area of concern;
16. To review the functioning of the whistle blower mechanism;
17. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
18. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

4. NOMINATION & REMUNERATION COMMITTEE

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

During the year, One Nomination and Remuneration Committee meeting was held on 3rd September, 2016.

Composition of the Nomination & Remuneration Committee:

The composition of Nomination & Remuneration Committee as on March 31, 2017 is as follows:

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

Terms of Reference:

The roles, powers and functions of the Nomination and Remuneration Committee of Shri Gangare in accordance with the provisions of Section 178 of the Companies Act, 2013, read with Regulation 19 and Part-D of Schedule II of the SEBI Listing Regulations.

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 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.

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, and 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-à-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 20, 2017, inter alia, to review and carry out the performance evaluation of non-Independent Directors, the Chairperson and the Board as a whole. The Directors expressed their satisfaction with the entire evaluation process.

The performance evaluation criterion of Independent Directors has been uploaded on the Company's website at given below link:

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

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 Companies Act, 2013.

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 (including 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 Stakeholders Relationship Committee during the financial year 2016-17 is as follows:

Name of the Members	Designation	No. of meetings held	No. of meetings attended
Mr. Narendra Singh Bisht	Chairman	12	12
Mr. Rajesh Kumar Gupta	Member	12	1
Mr. Janeshwar Kumar Jain*	Member	9*	9
Mr. Syed Azizur Rahman**	Member	3**	3

(*) Mr. Janeshwar Kumar Jain expired on 15th November, 2016. During this period i.e. from 1st April, 2016 to 15th November, 2016 only nine (9) meetings were held.

(**) Mr. Syed Azizur Rahman was appointed as a Member of Audit Committee w.e.f. 30th November, 2016 and during this period i.e. from 30th November, 2016 to 31st March, 2017 only three (3) meetings were held.

During the year due to the death of Mr. Janeshwar Kumar Jain, (Whole Time Director) of the Company, he ceased to be a member of Stakeholders Relationship Committee, and in order to comply with the requirements of the provisions of Companies Act, 2013 and rules made there under along with the regulation 20 of SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, Mr. Syed Azizur Rahman, Director was appointed as one of the member of this committee in place of Mr. Janeshwar Kumar Jain.

Compliance Officer

Ms. Shefali Sharma, Company Secretary is the Compliance Officer of the Company. The Corresponding addresses' of Compliance officer is as follows:

Registered Office:

A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh- 203205.

Corporate Office:

F-32/3, Okhla Industrial Area, Phase-II, New Delhi-110020. Contact No- 011- 42524454.

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 no investor complaint was received.

6. GENERAL BODY MEETINGS

(I) Annual General Meeting (AGM) Details:

The details of the last three Annual General Meetings of the Company and the Special resolutions passed thereat are as under:-

Year	Location	Date	Time	Special Resolutions passed
2014	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205	30.12.2014	11:30 AM	- Re-appointment of Mr. Janeshwar Kumar Jain as Whole Time Director of the Company for a period of 1 year w.e.f. 27.12.2014.
2015	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205	30.12.2015	3:00 PM	- Re-appointment of Mr. Janeshwar Kumar Jain as Whole Time Director of the Company for a period of 2 years w.e.f 27 th December, 2015.
2016	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205	29.09.2016	3:00 PM	No Special Resolution was passed in the AGM held on 29.09.2016.

(II) Extra-Ordinary General Meeting (EGM) held during the financial year 2016-17:

The detail of the Extra-Ordinary General Meeting of the Company held during the financial year 2016-17 and the Special resolution passed thereat is as under:-

Year	Location	Date	Time	Special Resolution passed
2017	A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205	25.03.2017	11:30 AM	- Special Resolution to authorize Directors of the Company to borrow money with or without security together with the money already borrowed in excess of the aggregate of the paid up share capital and Free Reserves of the Company upto an aggregate amount of Rs.100 crore (Rupees hundred Crore only).

Postal Ballot

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

Two items under section 180(1) (a) of the Companies Act 2013 for creation of charge in respect of amounts due to PICUP & Commercial Tax Department towards deferred Trade Tax, VAT and interest free loan in lieu thereof and u/s 186 of the Companies Act, 2013 for increasing the limits of Investments are proposed to be transacted by 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 generally in the Pioneer (English) and Pioneer (Hindi) 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 : 28th September 2017, at 11:00 AM

Venue : A-26, UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh- 203205.

(b) Financial Year : 2016-17

(c) Book closure date : 25th September 2017 to 28th September 2017

(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

ISIN No : INE241V01018

The Company has paid the listing fees for financial year 2017-18 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 and to certain non-compliances 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. No. :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, 2017

Shareholding of Nominal value of Rs. 10	No. of Share holders	% of share - holders	No. of shares held	% of share-holding
1 to 5000	11387	94.80	1727520	21.79
5001 to 10000	397	3.30	330100	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	11	0.09	51000	0.64
50001 to 100000	12	0.09	90600	1.14
100001 to above	31	0.25	5409580	68.22
Grand Total	12011	100.00	7930000	100.00

Shareholding pattern as on March 31, 2017

S. No.	Category	No. of Shares held	% of holding
A.	Promoters holding	2583005	32.57
B.	Non-promoters holding		

1	Institutional Investors-Banks, Mutual Fund	169600	2.14
2	Others		
i)	Bodies Corporate	2260600	28.50
ii)	Indian Public	2915495	36.76
iii)	NRIs/OCBs	1300	0.02
Sub-total (B)		5346995	67.43
Grand Total (A) + (B)		7930000	100.00

(l) Dematerialization of Shares and Liquidity

The Company has been allotted ISIN No. 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, Uttar Pradesh-203205

(p) Address for correspondence:

Registered office:

A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh-203205.
Phone No- 05735-222568

Corporate Office:

F-32/3, Okhla Industrial Area, Phase-II, New delhi-110020.
Phone No- 011-42524454

9. OTHER DISCLOSURES

(a) Related Party Transactions:

During the financial year 2016-17, 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 (<http://www.shrigangindustries.com/policy.html>).

(b) Accounting Standards:

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

(c) Details of Non -Compliance:

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 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 unbiased form to voice concerns in a reasonable and effective manner without fear of reprisal. The policy is disclosed on Company's website <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 doesn't have any CEO as on date Mr. Anil Kumar Gupta, Chief Financial Officer & Mr. Syed Azizur Rahman, Whole Time Director of the Company has submitted the 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 attached as a part of Corporate Governance Report in "Annexure D".

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 financial year ended 31st March, 2017.

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, 2017.

By Order of the Board

For Shri Gang Industries and Allied Products Limited

**Place: New Delhi
Date: 14.08.2017**

**Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director
DIN: 00242790
Add: Flat B-104 (FF),
Ananda Apartment,
Sector-48, Noida,
Uttar Pradesh- 201301**

Registered Office:

A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh- 203205.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Shri Gang Industries and Allied Products Limited is engaged into the business of manufacturing 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.

Thereafter the company had submitted a Modified Rehabilitation Scheme to Hon'ble BIFR so that the company could resume its operations and come out of sickness. In the meantime the Government of Uttar Pradesh pronounced a one-time policy for the revival of the sick units in the State. The company submitted its application to the Government for the grant of relief and concessions as per this policy. The company also submitted an application to Hon'ble BIFR with a prayer directions be issued to the Government of Uttar Pradesh for the grant of relief and concessions as per its one-time policy for the revival of the sick units in the State. The Hon'ble BIFR passed the orders in this regard in the hearings held on 25.07.2016 & 20.10.2016. Thereafter, the Government Uttar Pradesh also issued a GO on 29.12.2016 granting the relief and concessions to the company as per its one-time policy for the revival of the sick units in the State. As per this Order the company has been granted further time for the payment of the past dues of Commercial Tax Department, PICUP and Paschimanchal Vidyut Vitran Nigam Ltd (PVVNL). In addition to this facility of reimbursement has been granted in respect some portion of the VAT, GST etc. that would be deposited by the company in future.

Apart from this as a part of the rehabilitation scheme the company has been permitted to set up a Distillery unit with Bottling Plant for IMFL & Country Liquor at Sandila, Dist. Hardoi. The company has already been allotted land by UPSIDC in Sandila Industrial Area for setting up the unit. The setting up of the new unit would help in the revival of the company.

Based on these developments the company resumed its manufacturing operations on a limited scale during the year under review. The operations would be gradually scaled up once PNVNL restores the power connection to the unit and some essential modifications, additions and technological up gradations are carried out in the existing plant and equipment.

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 under review the Company restarted its manufacturing operations and made sales of Rs.68.86 lacs.

The Company would gradually scale up its manufacturing operations in the current year.

FINANCE COST

The financial charges for the financial year ended on March 31, 2017 was Rs.34.08 lacs. This is mainly on account of interest payable on the unsecured loan taken by the company during the year.

RESERVES AND SURPLUS

As on March 31, 2017 the Reserves and Surplus in the Balance Sheet was negative at Rs.6651.11 lacs.

EARNING PER SHARE

Earnings per share of the company is negative at (3.51) as against (1.06) 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: 14.08.2017**

**Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director
DIN: 00242790
Add: Flat B-104 (FF), Ananda Apartment,
Sector-48, Noida, Uttar Pradesh- 201301**

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar, Uttar Pradesh- 203205

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO**a) Conservation of energy**

(i)	The steps taken or impact on conservation of energy	The Company has partially resumed its manufacturing operations during the year. It would take necessary steps to improve energy efficiency.
(ii)	The steps taken by the company for utilizing alternate sources of energy	The company is evaluating the cost-benefits of using solar energy.
(iii)	The capital investment on energy conservation equipment's	Nil

(b) Technology absorption

(i)	The efforts made towards technology absorption	The company is in the phase of stabilizing its operations and is in the process of evaluating the latest technology being adopted in this industry.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	None so far as the company is in the phase of stabilizing its operations.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	The expenditure incurred on Research and Development	NIL

c) Foreign Exchange Earnings/Outgo:

Particulars	Year Ended 31 st March, 2017	Year Ended 31 st March, 2016
Earnings	NIL	NIL
Outgo	NIL	NIL
Expenditure in foreign currency (other than CIF value of imports)	NIL	NIL

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

Place: New Delhi
Date: 14.08.2017

Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director
DIN: 00242790
Add: Flat B-104 (FF), Ananda Apartment,
Sector-48, Noida, Uttar Pradesh-201301

Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar,
Uttar Pradesh- 203205

CORPORATE GOVERNANCE CERTIFICATE

To the Members of Shri Gang Industries and Allied Products Limited

We have examined the compliance of the conditions of Corporate Governance by **Shri Gang Industries & Allied Products Limited** for the nine month ended on March 31, 2017 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 statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in **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**

**Date : 14.08.2017
Place : New Delhi**

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

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
A-26, UPSIDC Industrial Area,
Sikandrabad, Bulandshahar,
Uttar Pradesh- 203205

We hereby certify that:-

- a) We have reviewed the financial statements including the cash flow statement of the Company for the year ended on March 31, 2017 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, I 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 year 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.

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

**Sd/-
Anil Kumar Gupta
Chief Financial Officer**

**Sd/-
Syed Azizur Rahman
Chairman & Whole Time Director**

**Place: New Delhi
Date: 14.08.2017**

**Registered Office:
A-26 UPSIDC Industrial Area,
Sikandrabad, Bulandshahar,
Uttar Pradesh- 203205.**

Note: As Company doesn't have any CEO as on date Mr. Syed Azizur Rahman, Whole Time Director and Mr. Anil Kumar Gupta, Chief Financial Officer of the company has been authorized by the Board to submit the certificate, in terms of Regulation 17(8) of SEBI (LODR) Regulations, 2015, to the Board.

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, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year 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 4, 5, 9 & 25, these accounts have been prepared without any provision of interest on the overdue amount of interest free loan in lieu of Trade Tax of Rs.446.00 lacs from PICUP and on overdue principal amount of deferred Trade Tax amounting to Rs. 3016.09 lacs, in accordance with the UP Govt Order dated 29.12.2016, waiving all accumulated interest and future interest, subject to fulfilment of the conditions & adherence to revised schedule of repayment.*
- b) *With reference to Note 5 & 24, charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges accumulating in aggregate to Rs 2243.06 lacs levied by Paschimanchal Vidyut Vitran Nigam has not been provided for in these accounts as it has been waived by the Government of Uttar Pradesh vide its order dated 29.12.2016. The waiver is subject to the approval of the Uttar Pradesh Electricity Regulatory Commission for which the petition has already been filed.*
- c) *With reference to Note no. 26 that the company suspended its manufacturing activities since 25.03.2010 and accordingly declared 'lay off' for indefinite period. During the current year the company has partially resumed its manufacturing operations which shall be gradually scaled up. Such long suspended activities, partial resumption of operations 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 re-establish its full operations, severally affecting the 'going concern assumption'. However, these accounts have been prepared by the management on 'going concern assumption' in view of the UP Govt. order No 1571/77-1-2016-10 (BIFR)/ 2009TC dated 29.12.2016, as explained in the said note 26.*

Basis for Qualified Audit Opinion

- 1) *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.*
- 2) *Interest on unpaid overdue Public Deposits of Rs.30.00 lacs for the year has not been provided for amounting to Rs. 3.00 lacs (accumulated Rs.20.25 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. 20.25 lacs.*
- 3) *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, 2017 and its loss and its cash flows for the year 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.
- iv. The company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.

For TAS ASSOCIATES
Chartered Accountants
[Firm Registration No. 010520N]

Sd/-
Mukesh Agarwal
Partner
M No. 090582

Place: New Delhi
Date: 29.05.2017

Annexure – A to the Independent Auditor's Report To the Members of Shri Gang Industries & Allied Products Limited for the year ended March 31, 2017

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. a. In view of the suspended manufacturing activities by the company over a long period 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 were 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.*
- c. *As explained to us, the title deeds of immovable properties are held in the name of the company.*
2. a. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of

the company and the nature of its business.

- c. The discrepancies between physical inventories and the book records, as observed on verification, have been properly dealt with in the books of accounts.
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. *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. Pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013, in our opinion and to best of our knowledge, the prescribed cost records, prima facie, have been made and maintained.
 7. a. 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 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 as explained in note no. 25 of these financial statements.
 - (ii) Excise Duty amounting to Rs 15.68 lacs;
 - (iii) Penalty on Excise Duty amounting to Rs 15.68 lacs;
 - (iv) Employees' State Insurance amounting to Rs 4.21 lacs.
 - b. 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.	Statute	Nature of dues	Forum where dispute is pending	Amount (Rs.)	Period to which the amount relates
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1	U.P. Trade Tax Act	Demand on regular assessment	Trade Tax Tribunal	4,67,03,355/-	FY 2005-06
2	U.P. Vat Act	Demand on regular assessment	Trade Tax Tribunal	2,15,000/-	FY 2009-10

8. Based on our audit procedures and on the information and explanations given by management and in terms of UP Govt. Order dated 29.12.2016 regarding measures of rehabilitation and re-scheduled repayment terms, we are of the opinion that the company has not defaulted in repayment of dues to PICUP for the outstanding amount of Rs. 446 lacs and which is not yet paid by the company.
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. 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.
15. 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.
16. 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
Chartered Accountants
[Firm Registration No. 010520N]

Sd/-
Mukesh Agarwal
Partner
M No. 090582

Place: New Delhi
Date: 29.05.2017

Annexure – B to the Independent Auditor's Report

To the Members of Shri Gang Industries & Allied Products Limited for the year ended March 31, 2017

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, 2017 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 for major part of the year 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, 2017. 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]

Sd-

Mukesh Agarwal

Partner

M No. 090582

Place: New Delhi

Date: 29.05.2017

BALANCE SHEET AS AT 31ST MARCH 2017

(Figures in Rs)

Particulars		Note No.	AS AT 31.03.2017	AS AT 31.03.2016
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	1	79,300,000	79,300,000
	(b) Reserves and surplus	3	(665,111,108)	(637,286,922)
			(585,811,108)	(557,986,922)
2	Non-current liabilities			
	(a) Long-term borrowings	4	80,130,000	36,030,000
	(b) Other Long term liabilities	5	407,908,395	55,186,000
	(c) Long-term provisions	6	22,910	291,331
			488,061,305	91,507,331
3	Current liabilities			
	(a) Short-term borrowings	7	120,710,344	3,000,000
	(b) Trade payables	8	104,997,607	105,871,229
	(c) Other current liabilities	9	3,383,158	413,332,678
	(d) Short-term provisions		-	-
			229,091,109	522,203,907
	TOTAL		131,341,306	55,724,316
II.	ASSETS			
	Non-current assets			
1	(a) Fixed assets	10		
	(i) Tangible assets		32,900,970	34,966,767
	(ii) Capital Work in Progress		3,974,379	996,275
	(b) Long-term loans and advances	11	39,494,335	4,802,335
	(c) Other non-current assets	12	40,120,039	-
			116,489,723	40,765,377
2	Current assets			
	(a) Inventories	13	10,148,865	13,512,978
	(b) Trade receivables	14	934,718	105,726
	(c) Cash and cash equivalents	15	162,445	196,250
	(d) Short-term loans and advances	16	2,152,381	300,000
	(e) Other current assets	17	1,453,174	843,985
			14,851,583	14,958,939
	TOTAL		131,341,306	55,724,316

Notes form part of these financial statements

1-41

Singinificant Accounting Policies

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

For Tas Associates

Chartered Accountants

FRN- 010520N

For & on behalf of Board of Directors

Sd/-

(Mukesh Agarwal)

Partner

Membership No.- 090582

Sd/-

Syed Azizur Rahman

(Whole-Time Director)

DIN- 00242790

Sd/-

Narendra Singh Bisht

(Director)

DIN-01881694

Sd/-

Shefali Sharma

Company Secretary

M. No. 44902

Date: 29.05.2017

Place: New Delhi

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Figures in Rs)

Particulars		Note No.	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
Revenue:				
I.	Revenue from Sale of Goods		6,885,712	-
II.	Other income	18	885,318	21,195
III.	Total Revenue (I + II)		7,771,030	21,195
Expenses:				
	Material consumed	19	14,555,623	-
	Changes in inventories of finished goods	20	(7,833,759)	-
	Establishment Expenses	21	2,179,623	-
	Finance costs	22	3,408,210	-
	Depreciation and amortization expense	10	2,122,072	2,400,511
	Other expenses	23	7,650,469	1,812,379
IV.	Total expenses		22,082,238	4,212,890
V.	Profit/ (Loss) before exceptional items and tax (III-IV)		(14,311,208)	(4,191,695)
VI.	Exceptional items			
	<u>Prior Period Expenses</u>			
	- Gratuity		-	55,018
	- Income Tax		-	46,909
	- Central Excise Duty		-	1,568,258
	- Old & Unusable Material written off		13,512,978	-
	- Employees State Insurance contribution		-	421,048
VII.	Profit/ (Loss) before tax (V- VI)		(27,824,186)	(6,282,928)
VIII.	Tax expense:			
	(1) Current tax	37	-	-
	(2) Deferred tax	38	-	-
IX.	Profit (Loss) for the period (VII -VIII)		(27,824,186)	(6,282,928)
X.	Earnings per equity share (annualised):	39		
	a) Basic		(3.51)	(1.06)
	b) Diluted		(3.51)	(1.06)

The Figures of previous years are for a period of nine months

Notes form part of these financial statements 1-41

Singificant Accounting Policies 42

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

For Tax Associates

Chartered Accountants

FRN- 010520N

Sd/-

(Mukesh Agarwal)

Partner

Membership No.- 090582

For & on behalf of Board of Directors

Sd/-

Syed Azizur Rahman

(Whole-Time Director)

DIN- 00242790

Sd/-

Narendra Singh Bisht

(Director)

DIN-01881694

Sd/-

Shefali Sharma

Company Secretary

M. No. 44902

Date: 29.05.2017

Place: New Delhi

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03. 2017

(Figures in Rs)

PARTICULARS		01.04.2016 to 31.03.2017		01.07.2015 to 31.03.2016	
A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before Tax & Extraordinary items		(27,824,186)		(6,282,928)
	Adjustment for:				
	Depreciation	2,122,072		2,400,511	
	Gratuity	22,910		-	
	Finance Cost	3,408,210	5,553,192	-	2,400,511
	Operating Profit before Working Capital Changes		(22,270,994)		(3,882,417)
	Adjustment for:				
	Trade & Other Receivables	(3,290,559)		(289,717)	
	Inventories	3,364,112		-	
	Trade Payables & Other Liabilities	(792,080)	(718,527)	4,310,364	4,020,647
	Cash Generated from Operations		(22,989,521)		138,230
	Net Cash from Operating Activities.....A		(22,989,521)		138,230
B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets (net of sales)		(56,275)		-
	Capital Advances		(40,120,039)		-
	Capital work in progress		(2,978,104)		-
	Security Deposits given		(34,692,000)		-
	Net Cash from Investing Activities.....B		(77,846,418)		-
C)	CASH FLOW FROM FINANCING ACTIVITIES				
	i) Long Term Borrowings		(500,000)		-
	ii) Short Term Borrowings		117,710,344		-
	iii) Security Deposits received		(13,000,000)		-
	iv) Finance Cost		(3,408,210)		-
	Net Cash from Financing Activities.....C		100,802,134		-
D)	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)		(33,805)		138,230
	Opening Cash & Cash Equivalents		196,250		58,020
	Closing Cash & Cash Equivalents		162,445		196,250

NOTE: Figures in Brackets represent outflows.

The Figures of previous years are for a period of nine months

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

For Tas Associates
Chartered Accountants
FRN- 010520N

For & on behalf of Board of Directors

Sd/-
(Mukesh Agarwal)
Partner
Membership No.- 090582

Sd/-
Syed Azizur Rahman
(Whole-Time Director)
DIN- 00242790

Sd/-
Narendra Singh Bisht
(Director)
DIN-01881694

Date: 29.05.2017
Place: New Delhi

Sd/-
Shefali Sharma
Company Secretary
M. No. 44902

Note 1 Share Capital

Particulars	As at 31 March 2017		As at 31 March 2016	
	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	As at 31 March 2017		As at 31 March 2016	
	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

- a) 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.
- b) 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.

Note 2 Shares held by each shareholder holding more than 5% shares

Name of Shareholder	Equity Shares as on 31.03.2017		Equity Shares as on 31.03.2016	
	Holding %	No. of Shares held	Holding %	No. of Shares held
M/s Survi Trade & Agency Pvt Ltd	15.01%	1190000	0	0
Suraj Gupta	9.12%	723065	2.53%	200240
Anita Gupta	7.40%	586780	1.83%	145180

Note 3 Reserves & Surplus

Particulars	As at 31 March 2017		As at 31 March 2016	
		Rs		Rs
<u>Capital Reserve</u>				
Balance as per last account		81,000		81,000
<u>General Reserve</u>				
Balance as per last account		22,000,000		22,000,000
<u>Profit & Loss Account</u>				
As per last Accounts	(659,367,922)		(653,084,994)	
Less: Surplus in the statement of Profit & Loss	(27,824,186)		(6,282,928)	
Closing Balance at the end of year		(687,192,108)		(659,367,922)
Grand Total		(665,111,108)		(637,286,922)

Note 4 Long Term Borrowings

Particulars	AS AT 31.03.2017		As at 31 March 2016	
		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	-	44,600,000	44,600,000	-
<i>Regrouped, consequent to UP Govt Order, the deferred payments have been rescheduled to be payable from 29.12.2018 in 10 equal annual instalments. Also refer Note 9</i>				
<u>Security</u>				
<i>Secured by way of a charge on the entire immovable and movable assets of the company</i>				
<u>Terms</u>				
<i>Loan is interest free Repayable in 10 annual installments w.e.f 29.12.2018</i>				
II) Unsecured				
Bodies Corporate	30,430,000		30,930,000	
Director	5,100,000		5,100,000	
		35,530,000		36,030,000
<u>Terms</u>				
<i>All loans are interest free There is no specific terms of repayment</i>				
Total		80,130,000		36,030,000

Note 5 Other Long Term Liabilities

Particulars	AS AT 31.03.2017		As at 31 March 2016	
		Rs		Rs
Deferred Payments				
1)Deferred Trade Tax/VAT (Secured)	301,608,563		301,608,563	
Less: Current Maturities of Deferred payments	-	301,608,563	301,608,563	-
<i>Regrouped, consequent to UP Govt Order, the deferred payments have been rescheduled to be payable from 29.12.2018 in 10 equal annual instalments. Also refer Note 9</i>				
<u>Terms</u>				
<i>These deferred amounts are interest free and repayable in 10 annual installments w.e.f 29.12.2018)</i>				
<u>Security</u>				
<i>Secured by way of first charge on the entire immovable and movable assets of the company</i>				
2) Defered Power Charges (Unsecured) #	64,113,832		64,113,832	
Less - Current maturities (already due)	-	64,113,832	64,113,832	-
<i>Regrouped, consequent to UP Govt Order, the deferred payments have been rescheduled to be payable from 29.12.2018 in 10 equal annual instalments. Also refer Note 9</i>				
<u>Terms</u>				
<i>These deferred amounts are interest free and repayable in 10 equal annual installments w.e.f 29.12.2018)</i>				
Security Deposits (Interest Free)		42,186,000		55,186,000
Total		407,908,395		55,186,000

In addition to this, a sum of Rs 301.03 lacs (PY 241.83 lacs) on account of minimum demand charges and Rs 1942.03 lacs (PY 1770.89 lacs) on account of surcharge (interest), has been demanded by Paschimanchal Viduyt Vitran Nigam, which has not been accounted for as it has been waived by the Government of Uttar Pradesh vide its order dated 29.12.2016. This waiver is subject to the approval of the Uttar Pradesh Electricity Regulatory Commission for which the petition has already been filed. To be read with Note 26.

Note 6 Long Term Provisions

Particulars	AS AT 31.03.2017	As at 31 March 2016
	Rs	Rs
<u>Provision for employee benefits</u>		
Leave Encashment	0	291,331
Gratuity	22,910	-
Total	22,910	291,331

Note 7 Short Term Borrowings

Particulars	AS AT 31.03.2017	As at 31 March 2016
	Rs	Rs
<u>Unsecured Loans from Body Corporates</u>		
Principal Amount	114,650,000	-
Interest payable	3,060,344	-
<u>Unsecured Loans from others</u>		
Current Maturity of overdue Public Deposits	3,000,000	3,000,000
* Overdue unpaid public deposits, without provision of interest w.e.f. 01/07/2010.		
Total	120,710,344	3,000,000

Note 8 Trade Payables

Particulars	AS AT 31.03.2017	As at 31 March 2016
	Rs	Rs
Sundry Creditors*	104,997,607	105,871,229
Total	104,997,607	105,871,229

* Due to other than micro, small & medium enterprises. Also refer note 34

Note 9 Other Current Liabilities

Particulars	AS AT 31.03.2017		As at 31 March 2016	
		Rs		Rs
Current Maturities of Long Term Debt-PICUP #		-		44,600,000
<u>Current Maturities of Deferred Payments #</u>				
Trade tax	-		301,608,563	
Power Charges	-		64,113,832	365,722,395
Advances from customers		30,087		614,395
Central Excise Duty payable		1,568,258		1,568,258
ESI & PF payable		477,018		421,048
Salary & Wages Payable		766,142		-
TDS Payable		278,706		58,625
Income Tax Payable		46,909		46,909
Service Tax Payable		110,260		-
Provision for expenses		105,778		301,048
Total		3,383,158		413,332,678

In the previous year, these amounts were classified as "current liabilities" as were already due for payment. However, as per UP Govt. order dated 29.12.2016, the repayments have been rescheduled and are now payable wef 29.12.2018 in 10 annual installments. Therefore these have been reclassified under "Long Term Borrowings" in note no. 4 & 5 respectively.

(Figures in Rs)

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As at 01.04.2016	Additions	Disposals	AS AT 31.03.2017	As at 01.04.2016	Charge for the period 01.04.2016 to 31.03.2017	Adjustment (refer Note below)	On disposals	AS AT 31.03.2017	As at 31.03.2016
a Tangible Assets										
Leasehold Land	2,857,874	-	-	2,857,874	-	-	-	-	2,857,874	2,857,874
Buildings	44,067,224	-	-	44,067,224	29,218,516	1,061,536	-	-	13,787,172	14,848,708
Plant and Equipment	161,480,017	-	-	161,480,017	144,309,867	1,043,436	-	-	16,126,714	17,170,150
Furniture and Fixtures	3,995,674	-	-	3,995,674	3,992,731	-	-	-	2,943	2,943
Vehicles	1,769,408	-	-	1,769,408	1,749,061	6,408	-	-	13,939	20,347
Office equipment	8,420,513	56,275	-	8,476,788	8,353,768	10,692	-	-	112,328	66,745
Total	222,590,710	56,275	-	222,646,985	187,623,943	2,122,072	-	-	32,900,970	34,966,767
b Intangible Assets										
Brands /trademarks	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Capital Work in Progress	-	-	-	-	-	-	-	-	3,974,379	996,275
Grand Total	222,590,710	56,275	-	222,646,985	187,623,943	2,122,072	-	-	36,875,349	35,963,042
<i>Previous Year Figures</i>	222,590,710	-	-	222,590,710	185,223,432	2,400,511	-	-	35,963,042	38,363,553

Note 11 Long Term Loans & Advances

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Rs	Rs
<u>Security Deposits</u>		
- to PICUP *	34,692,000	-
- to others	4,802,335	4,802,335
<i>(Unsecured, Considered Good)</i>		
* Consequent to UP Govt order dated 29.12.2016 for reschedulement of deferred dues, and is liable for forfeiture if the terms of re-scheduled repayment is not adhered.		
Total	39,494,335	4,802,335

Note 12 Other Non-Current Assets

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Rs	Rs
<u>Capital Advances</u>		
- Advance to UPSIDC for acquisition of Land	35,582,479	-
- Advance for buildings	3,737,560	-
- Advance for Machinery	800,000	-
Total	40,120,039	-

Note 13 Inventories

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Rs	Rs
Raw Materials	1,051,758	-
Finished Goods	7,833,759	-
Stores, Spares & Packing Material	1,263,348	13,512,978
Total	10,148,865	13,512,978

Note 14 Trade Receivables

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
		Rs		Rs
<u>Trade Receivables (Unsecured, considered good)</u>				
Outstanding for more than six months	1,079,383		1,079,265	
Less: Provision for Doubtful Debts	973,539	105,844	973,539	105,726
Others		828,874		-
Total		934,718		105,726

Note 15 Cash & Cash Equivalents

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Rs	Rs
Cash on Hand	123,813	141,010
Balances with Banks in Current Accounts	38,632	55,240
Total	162,445	196,250

Note 16 Short Term Loans & Advances

Particulars	AS AT 31.03.2017		AS AT 31.03.2016	
	Rs	Rs	Rs	Rs
Unsecured				
Trade Advances	2,208,638		436,712	
Less: Provision for Doubtful Debts	136,712	2,071,926	136,712	300,000
Staff Imprest	377,118		296,663	
Less: Provision for Doubtful Debts	296,663	80,455	296,663	-
Total		2,152,381		300,000

Note 17 Other Current Assets

Particulars	AS AT 31.03.2017	AS AT 31.03.2016
	Rs	Rs
Interest Receivable	644,614	644,614
TDS Receivable	192,826	199,371
VAT Input Credit	615,734	-
Total	1,453,174	843,985

Note 18 Other Income

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
Liabilities, no longer payable written off	881,710	-
Miscellaneous receipts	3,608	21,195
Total	885,318	21,195

Note 19 Material Consumed

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
<u>Raw Materials</u>		
Opening Stock	-	-
Add: Purchases	14,391,281	-
Less: Closing Stock	1,051,758	-
	13,339,523	-
Consumption of Packing Materials	1,073,739	-
Consumption of Stores & Spares	142,361	-
Total	14,555,623	-

Note 20 Changes of Inventory of finished goods

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
<u>Opening Stock</u>		
Finished Goods - vanaspati/refined oils	-	-
<u>Closing Stock</u>		
Finished Goods - vanaspati/refined oils	7,833,759	-
Total	(7,833,759)	-

Note 21 Establishment Expenses

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
Salary & Wages	1,982,849	-
Contribution to Employee Welfare Funds	140,660	-
Provision for Gratuity	22,910	-
Staff Welfare	33,204	-
Total	2,179,623	-

Note 22 Finance Cost

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
Interest on unsecured loans	3,408,210	-
Total	3,408,210	-

Note 23 Other Expenses

Particulars	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
	Rs	Rs
Power and fuel	569,867	-
Repair & Maintenance	69,167	-
Rent	219,500	-
Rates & Taxes	167,310	-
Professional & Consultancy	2,080,000	436,475
Insurance	135,125	-
Security Charges	661,192	-
Listing & Demat Fees	652,974	28,625
Tours Travelling & Conveyance	1,568,759	-
Telephone & Postage	407,179	-
Monitoring Charges paid to IDBI	230,000	229,000
Printing & Stationary	173,637	-
ROC Filing Fees	26,793	4,907
FSSAI Licence Fees	-	37,500
Audit Fees	34,500	34,500
Upfront charges paid to PICUP	-	1,000,000
Freight Outward	81,238	-
Service Tax	273,614	-
Miscellaneous	299,614	41,372
Total	7,650,469	1,812,379

Note 24 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As on 31 March 2017	As on 31 March 2016
	Rs in Lacs	Rs in Lacs
a) 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	467.03	467.03
Demand raised by the Trade Tax Authorities in the year 2009-10, against which the company has filed appeal before Trade Tax Tribunal	2.15	2.15
Minimum demand charges levied by Paschimanchal Vidyut Vitran Nigam which has been waived by the Government of Uttar Pradesh subject to the approval of Uttar Pradesh Electricity Regulatory Commission. Read with Note 5.	301.03	241.83
Surcharge on minimum demand charges and deferred power charges levied by Paschimanchal Vidyut Vitran Nigam, which has been waived by the Government of Uttar Pradesh subject to the approval of Uttar Pradesh Electricity Regulatory Commission. Read with Note 5 and 24.	1942.03	1770.89
Penalty on demand raised by the Central Excise Department towards excise duty on sale of by products.	15.68	15.68
Total	2727.92	2497.58

In the opinion of the management, no provision is considered necessary as there are fair chances of successful outcome of appeal and in view of the orders passed by the Government of Uttar Pradesh and BIFR.

b) The outstanding Capital commitments as on the balance sheet date (Rs in lacs)-

Nature of Capital Contracts	Value of Contract	Advances	Outstanding Commitment
Building Shed	168.67	37.38	131.29
Plant & Machinery	43.65	8.00	35.65
UPSIDC for industrial Land	1,423.32	355.82	1,067.50
Total	1,635.64	401.20	1,234.44

- Note 25** 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. As per the sanctioned scheme of BIFR, Govt of UP had deferred Trade Tax/ Compounding tax/ State Development tax/ Turnover Tax/ VAT and power charges etc. A part of the deferred trade tax was also converted into unsecured interest free loan, which became due for payment in 12 months from the date of order dated 07.12.2015.
- b) However, consequent to further recommendation of BIFR vide order dated 25.07.2016 (as Corrected by the Corrigendum Dated 20.10.2016) and in pursuance of Government policy for revival of sick unit industries in the State, the Government of Uttar Pradesh vide UP Govt order No 1571/77-1-2016-10 (BIFR)/ 2009TC dated 29.12.2016 has granted/ extended the following relief and concessions to the company in respect of the payment of the dues deferred in the past -
- Interest Free loan given by PICUP in lieu of deferred trade tax is now payable in 10 annual installments after a moratorium period of 2 years i.e. wef 29.12.2018. The interest charged by PICUP has been waived and no interest would be charged for extended or future period.
 - Trade Tax/VAT/CST deferred by the Commercial Tax Department is to paid in 10 annual installments after a moratorium period of 2 years i.e. wef 29.12.2018. Interest, if any charged by the Commercial Tax Department has been waived and no interest would be charged for future period.
 - The Principal amount of power dues amounting to Rs 641.14 lacs is to paid to Paschimanchal Vidyut Vitran Nigam Ltd in 10 annual installments after a moratorium period of 2 years i.e. wef 29.12.2018. Interest/surcharge levied by PVVNL has been waived and no interest/surcharge would be charged for future period. This is subject to the approval of the Uttar Pradesh Electricity Regulatory Commission for which the petition has already been filed.

- iv) The minimum demand charges levied by Paschimanchal Vidyut Vitran Nigam Ltd during the period of disconnection has been waived. This is subject to the approval of the Uttar Pradesh Electricity Regulatory Commission for which the petition has already been filed.
- c) The company has deposited a sum of Rs 346.92 lacs with PICUP as security deposit as per the rehabilitation scheme sanctioned by Government of UP on 29.12.2016 in terms of their One Time Policy for the revival of sick units. This amount would be refunded to the company after the completion of the rehabilitation period if the company does not violate any terms and conditions of the rehabilitation scheme. Otherwise this amount would be forfeited. The company has complied with the terms and conditions of the scheme as on the date of signing the balance sheet.

Note 26 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 had temporarily suspended its manufacturing activities at the factory effective from 25th March, 2010 and accordingly declared "Lay Off". During the current year the company has partially resumed its manufacturing operations which shall be gradually scaled up.

Note 27 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 28 PAYMENT TO AUDITOR

Particulars	For the year ended 31 March 2017	For the period ended 31 March 2016
	Rs in Lacs	Rs in Lacs
a) Audit Fees (including service tax)	34,500	34,500
Total	34,500	34,500

Note 29 Details of Specified Bank Notes (SBN) held during the period from 8th Nov 2016 to 30th Dec 2016 were as follows

Particulars	SBNs	Other Denomination Notes	Total
Closing cash as on 08.11.2016	Nil	148730	148730
(+) Permitted receipts	Nil	Nil	Nil
(-) Permitted Payments	Nil	41337	Nil
(-) amount Deposited in banks	Nil	Nil	Nil
Closing Cash in hand as on 30.12.2016	Nil	107393	148730

Note 30 EMPLOYEE BENEFITS

Particulars	For the year ended 31 March 2017	For the period ended 31 March 2016
	Rs	Rs
a) Company's contribution to Provident Fund & Employees state Insurance during the year and charged to Profit & Loss Statement	140,660	-
DETAILS OF DEFINED BENEFIT PLAN	GRATUITY	
	01.04.2016 to 31.03.2017	01.07.2015 to 31.03.2016
i) Changes in the present value of the defined benefit obligation are as follows(Rs.)		
Present Value of obligation as at 01.04.2016	--	--
Interest cost	--	--
Current service cost	22910	--
Benefits paid	--	--
Actuarial (gain)/loss on obligation	--	--
Closing defined benefit obligation as at 31.03.2017	22910	--

Particulars	For the year ended 31 March 2017	For the period ended 31 March 2016
	Rs	Rs
<u>ii) Changes in the fair value of plan assets are as follows(Rs.)</u>		
Opening fair value of plan assets	--	--
Expected return	--	--
Contributions by employer	--	--
Benefits paid	--	--
Actuarial gain/(losses)	--	--
Closing fair value of plan assets	--	--
<u>iii) Net employee benefit expense debited to Profit & Loss account.</u>		
Current service cost	22910	--
Interest cost	--	--
Expected return on plan assets	--	--
Net Actuarial(gain)/Loss	--	--
Net benefit expenses	22910	--
Actual return on plan assets	--	--
<u>iv) Amount recognized in Balance Sheet</u>		
Present Value of obligation as at the end of the period	22910	--
Fair value of plan assets as at the end of the period	--	--
Funded status/difference	(22910)	--
Excess of actual over estimated	--	--
Unrecognized actuarial (gains)/losses	--	--
Net Asset/(Liability) recognized in Balance Sheet	(22910)	--
<u>(v) Actuarial Assumptions</u>		
Mortality table	IALM (2006-08)	IALM (2006-08)
Discount rate	7.31%	--
Expected rate of return on plan assets	--	--
Rate of escalation in salary per annum	6.00%	--
Employee turnover upto 30 years	3.00%	--
Above 30 years but up to 44 years	2.00%	--
Above 44 years.	1.00%	--

Note 31 Expenditure in Foreign Currency during the year- Nil (Previous Year Nil)

Note 32 Value of Imports on CIF Basis- Nil (Previous Year Nil)

Note 33 Value of imported and indigenous raw materials, stores, spare parts and components consumed

Particulars	For the year ended 31 March 2017		For the period ended 31 March 2016	
	Rs	%	Rs	%
<u>Raw material</u>				
Imported	-	-	-	-
Indigenous	14555623	100.00	-	-
Total	14555623	100.00	-	-
<u>Stores, spare parts and components</u>				
Imported	-	-	-	-
Indigenous	1216100	100.00	-	-
Total	1216100	100.00	-	-

Note 34 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 35 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 36 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 (upto 15.11.2016)

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 year ended 31 March 2017	For the year ended 31 March 2016
	Key Managerial Person	Key Managerial Person
a) Expenditure		
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 37 PROVISION FOR INCOME TAX

The provision for the current Income Tax is not considered necessary for the financial year 2016-17 in view of the current losses, brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

Note 38 DEFERRED TAX ASSETS

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

Particulars	As at 31 March 2017	As at 31 March 2016
	Rs in Lacs	Rs in Lacs
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	520.64	533.39
Deferred Trade Tax	931.97	931.97
Provision for Expenses & taxes, covered u/s sec 43B	6.39	7.05
Total	1,459.00	1,472.41
Deferred Tax Liability		
WDV of Fixed Assets	16.97	23.35
Total	16.97	23.35
Net Deferred Tax Asset (Net)	1,442.03	1,449.06
Increase/(Decrease) in net Deferred Tax asset	(7.03)	6.38

Since the net effect of tax due to timing difference results in Net Deferred Tax Asset as at the Balance Sheet date, the Deferred Tax Asset or changes during the year, have not been recognised in these accounts on consideration of uncertainty on its realisability in the peculiar circumstances of the company.

Note 39 BASIC AND DILUTED EARNING PER SHARE

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

Particulars	For the year ended 31 March 2017	For the period ended 31 March 2016
Profit/ (Loss) for the reporting period after tax	(27,824,186)	(6,282,928)
No. of weighted average equity shares (Basic & Diluted)	7,930,000	7,930,000
EARNING PER SHARE (Rs.)		
- Basic	(3.51)	(1.06)*
- Diluted	(3.51)	(1.06)*

* Annualized as the accounts of the previous period were for 9 months

Note 40 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 41 Previous year figures/classification have been regrouped/ restated wherever considered necessary to conform with the current year figures/classification.

Note 42 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

- a) Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the profit & 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- 010520N

Sd/-
(Mukesh Agarwal)
Partner
Membership No.- 090582

Date: 29.05.2017
Place: New Delhi

For & on behalf of Board of Directors

Sd/-
Syed Azizur Rahman
(Whole-Time Director)
DIN- 00242790

Sd/-
Shefali Sharma
Company Secretary
M. No. 44902

Sd/-
Narendra Singh Bisht
(Director)
DIN-01881694

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 Annual General Meeting of the Company on **Thursday, the 28th Day of September, 2017 at 11:00 A.M at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar, Uttar Pradesh- 203205.**

Signature of the Shareholder	Signature of the Proxy

- Note:**
1. Briefcase, Hand Bags etc. are not allowed inside the Meeting Hall.
 2. 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 Annual General Meeting of the Company, to be held on Thursday, September 28, 2017 at 11:00 A.M. at the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh- 203205 in respect of such resolutions as are indicated below:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended on 31st March, 2017 and the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Syed Azizur Rahman (DIN 00242790) who retires by rotation and eligible offers himself for re-appointment.
3. To appoint M/s Satendra Rawat & Co. Chartered Accountants as Statutory Auditors of the company to hold office for a period of 5 years from the conclusion of 28th AGM till the conclusion of 33rd AGM and to fix their remuneration.

SPECIAL BUSINESS:

4. To appoint Mr. Syed Azizur Rahman as Whole Time Director of the company w.e.f 9th May, 2017.
5. Appointment of Mr. Yogesh Kumar as Independent Director of the Company.

Signed this _____ day of September, _____ 2017.

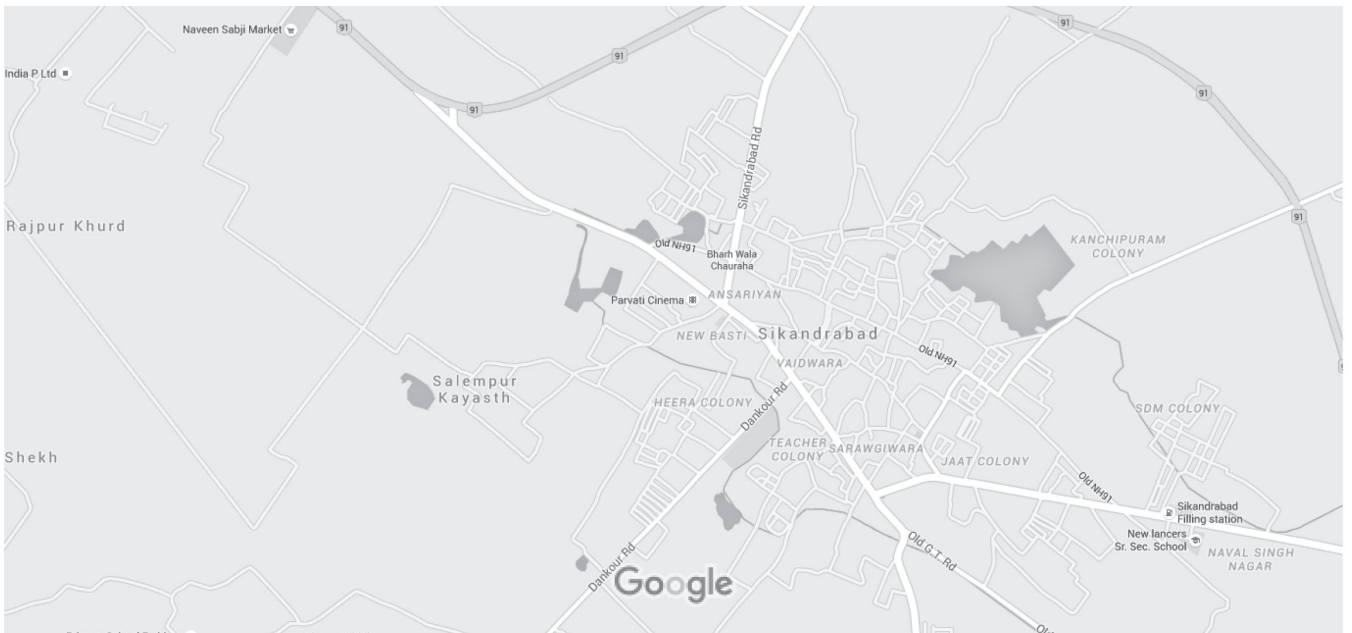
Signature of the Shareholder

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.

Route Map



BOOK POST

If Undelivered, please return to:

Shri Gang Industries And Allied Products Limited

A-26, UPSIDC Industrial Area, Sikandrabad,
Distt. Bulandshahar, Uttar Pradesh-203205