

SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

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

CIN: L01112UP1989PLC011004

Email id: -secretarial@shrigangindustries.com **website:** -www.shrigangindustries.com

Telephone No: -+919810002390

May 30, 2016

To,

The Executive Director,
BSE Limited
Floor 25, P J Towers
Dalal Street
Mumbai-400001

Subject: Audited Financial Results, Auditors Report and Statement on Impact of Audit Qualifications for the Period ended March 31, 2016

Dear Sir,

This is in continuation to our letter dated May 20, 2016 wherein we had intimated that the meeting of the Board of Directors will be held on May 30, 2016 to approve the Audited Financial Results of the Company for the period ended March 31, 2016.

Please find attached herewith the copy of the Audited Financial Results, Auditors Report and Statement on Impact of Audit Qualifications of the Company for the period ended March 31, 2015 for your reference and record.

Kindly acknowledge the receipt and take note of the same.

For Shri Gang Industries and Allied Products Limited



J. K. Jain
(Whole Time Director)

SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED

(FORMERLY SURAJ VANASPATI LIMITED)

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Audited Financial Results for the quarter ended 31st March 2016 & nine months ended 31st March 2016

(Rs. in Lacs)

Particulars	Quarter ended 31.03.2016 (Audited)	Quarter ended 31.12.2015 (Reviewed)	Quarter ended 31.03.2015 (Reviewed)	Nine months ended 31.03.2016 (Audited)	Nine months ended 31.03.2015 (Reviewed)	Accounting Year ended 30.06.2015 (Audited)
1 Income from operations						
(a) Net Sales/ income from operations (Net of excise duty)	0.00	0.00	0.00	0.00	0.00	0.00
(b) Other operating income	0.05	0.16	0.37	0.21	0.82	1.19
Total income from operations	0.05	0.16	0.37	0.21	0.82	1.19
2 Expenses						
(a) Cost of materials consumed	0.00	0.00	0.00	0.00	0.00	0.00
(b) Purchases of stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	0.00	0.00	0.00	0.00	0.00	0.00
(d) Employee benefits expense	0.00	0.00	0.00	0.00	0.00	5.44
(e) Depreciation and Amortisation Expenses	8.02	7.98	10.11	24.00	27.61	32.01
(f) Other expenses (Any item exceeding 10% of the total expenses relating to continuing operations to be shown separately)	17.73	0.22	0.11	18.10	0.34	2.80
Total Expenses	25.75	8.20	10.22	42.10	27.95	40.25
3 Profit/ (Loss) from operations before other income, finance costs and exceptional items (1-2)	(25.70)	(8.04)	(9.85)	(41.89)	(27.13)	(39.06)
4 Other Income						
Credit Balances written off	0.00	0.00	114.53	0.00	114.53	130.80
Interest received	0.00	0.00	0.00	0.00	0.00	0.08
5 Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(25.70)	(8.04)	104.68	(41.89)	87.40	91.82
6 Finance Costs	0.02	0.01	0.00	0.03	0.00	0.02
7 Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5+6)	(25.72)	(8.05)	104.68	(41.92)	87.40	91.80
8 Exceptional Items						
Provision for VAT/Income Tax/Excise Duty/ESIC relating to earlier years	19.89	0.47	0.00	20.36	0.00	86.41
Gratuity for prior period	0.00	0.55	0.00	0.55	0.00	0.00
9 Profit / (Loss) from ordinary activities before tax (7+8)	(45.61)	(9.07)	104.68	(62.83)	87.40	5.39
10 Tax Expense	0.00	0.00	0.00	0.00	0.00	0.00
11 Net Profit / (Loss) form ordinary activities after tax (9+10)	(45.61)	(9.07)	104.68	(62.83)	87.40	5.39
12 Extraordinary items	0.00	0.00	0.00	0.00	0.00	0.00
13 Net Profit / (Loss) for the period (11+12)	(45.61)	(9.07)	104.68	(62.83)	87.40	5.39
14 Paid-up equity share capital	793.00	793.00	793.00	793.00	793.00	793.00
15 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	0.00	0.00	0.00	0.00	0.00	0.00
16 Earnings per share (before extraordinary items) of Rs.10/- each) (not annualized*):						
Basic and Diluted	(0.57)*	(0.11)*	1.32*	(0.79)*	1.10*	0.07
Public Shareholding						
i) No. of Shares	5662620	5662620	5347620	5662620	5347620	5347620
ii) % of Shareholding	71.41	71.41	67.44	71.41	67.44	67.44
Promoters promoter group shareholding						
(a) Pledged/Encumbered						
- Number of Shares	0.00	0.00	0.00	0.00	0.00	0.00
- Percentage of Shareholding (% of promoter & Group)	0.00	0.00	0.00	0.00	0.00	0.00
- Percentage of Shareholding (as % of total share capital of Co.	0.00	0.00	0.00	0.00	0.00	0.00
(b) Non-Encumbered						
- Number of Shares	2267380	2267380	2582380	2267380	2582380	2582380
- Percentage of Shareholding (% of promoter & Group)	100.00	100.00	100.00	100.00	100.00	100.00
- Percentage of Shareholding (as % of total share capital of Co.	28.59	28.59	32.56	28.59	32.56	32.56



STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2016

Rs in Lacs

	As on 31.03.2016 (Audited)	As on 30.06.2015 (Audited)
A EQUITY & LIABILITIES		
1 Shareholders' Funds		
(a) Share Capital	793.00	793.00
(b) Reserves & Surplus	(6372.87)	(6310.04)
	(5579.87)	(5517.04)
2 Non Current Liabilities		
(a) Deferred Tax Liabilities (Net)	0.00	0.00
(b) Long Term Borrowings	360.30	360.30
(c) Other Long Term Liabilities	551.86	551.86
(d) Long Term provisions	2.91	3.53
	915.07	915.69
3 Current Liabilities		
(a) Short Term Borrowings	30.00	30.00
(b) Trade Payables	1058.71	1035.88
(c) Other Current Liabilities	4133.33	4112.43
	5222.04	5178.31
Total	557.24	576.96
B ASSETS		
1 Non Current Assets		
(a) Fixed assets		
- Tangible Assets	349.67	373.67
- Intangible Assets	0.00	0.00
- Capital Work in Progress	9.96	9.96
(b) Long Term Loans & Advances	48.02	48.02
	407.65	431.65
2 Current Assets		
(a) Inventories	135.13	135.13
(b) Cash & Cash Equivalents	1.96	0.58
(c) Receivables	1.06	1.06
(d) Other Current Assets	8.44	8.54
(e) Short Term Loans & Advances	3.00	0.00
	149.59	145.31
Total	557.24	576.96

1 The above results were adopted by the Audit Committee in their meeting held on 30.05.2016 and thereafter by the Board of Directors in their meeting held on 30.05.2016

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

3 The figures pertaining to the last quarter are the balancing figures between the audited figures in respect of period from 01.07.2015 to 31.03.2016 and the published year to date figures upto 31.12.2015

4 Deferred Tax Liability as per Accounting Standard - 22 is NIL.

5 During the quarter ending the Company has received Nil Complaints from investors.

6 There is no pending complaint at the end of the quarter ended 31.03.2016

7 Previous years figures have been regrouped/ re-arranged to make them comparable to current period/ year.

8 Since the Company is having only single segment of trading/manufacture of edible oils. Hence no segmental information has been given

Place: DELHI
Date: 30.05.2016

By Order of the Board
For Shri Gang Industries & Allied Products Ltd.

J.K. Jain
Whole Time Director



Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of
M/s Shri Gang Industries and Allied Products Limited

We have audited the quarterly financial results of **M/s Shri Gang Industries and Allied Products Limited** for the quarter ended 31st March 2016 and the year to date results for the period 1st July 2015 to 31st March 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25 / Ind AS 34), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

Subject to the effects of the matter described in the Basis for Matter of Emphasis & Qualified Opinion paragraphs given below:

Matter for Emphasis

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



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Basis for Qualified Audit Opinion

- 1) Attention is drawn that the inventories of Rs.135.13 lacs includes Stores, Spares & Packing Material, which in the absence of physical verification may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and current assets are shown in excess of Rs.135.13 lacs.
- 2) Attention is drawn that the Capital Work in Progress of Rs.9.96 lacs, which has not yet been completed and commissioned, may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and non-current assets are shown in excess of Rs.9.96 lacs.
- 3) Interest on unpaid overdue Public Deposits of Rs.30.00 lacs for the year has not been provided for amounting to Rs. 2.25 lacs (accumulated Rs.17.25 lacs approx. up to date of Balance Sheet). Accordingly loss for the current year and accumulated losses are less and current liabilities are also less by Rs. 17.25 lacs.
- 4) Charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges amounting in aggregate to Rs 2012.72 lacs levied by Paschimanchal Vidyut Vitran Nigam has not been provided for in these accounts as referred in Note 4 and Note 20. Accordingly the losses for the current year and accumulated losses are shown less and current liabilities are also shown lesser by Rs.2012.72 lacs.
- 5) In the absence of adequate documentation and documentary proofs, we are unable to comment whether there is any impairment in the value of the fixed assets due to efflux of time and suspension of manufacturing activities since March 2010 and requirement of provision for the same, which might be required to be provided for. In the absence of adequate records and any proofs of physical verification, the discrepancies, realizable/salvage value, the impact of impairment cannot be ascertained.

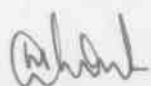
in our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net loss and other financial information for the quarter ended 31.03.2016 as well as the year to date results for the period from 01.07.2015 to 31.03.2016

For TAS ASSOCIATES

Chartered Accountants

[Firm Registration No. 010520N]



Mukesh Agarwal

Partner

M No. 090582

Place: New Delhi

Date: 30.05.2016



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Statement on Impact of Audit Qualifications

(In terms of Regulation 33 of SEBI (Listing and Disclosure Requirements) Regulations, 2015)

Name of the Company: Shri Gang Industries and Allied Products Limited Annual Financial Statements for the period ended 31.03.2016			
S. No.	Auditors Qualification	Financial Impact	Managements Response/ View
1.	In the Auditor's Report under point (a) of matter of emphasis it has been stated that "With reference to note no 3 & 8, these accounts have been prepared without any provision of interest, if any, payable on the overdue amount of interest free loan in lieu of Trade Tax of Rs.446.00 lacs from PICUP. In the absence of any documentary evidences, we are not in a position to state / qualify whether any interest is payable on such amounts."	Financial impact not ascertainable because so far company has not received any demand for interest.	The interest free loan received from PICUP in lieu of deferred Sales Tax was payable in F.Y. 2012-13. As per the original as well as modified rehabilitation scheme sanctioned by Hon'ble BIFR, no interest was payable by the Company on this Loan. However, due to continued losses the Company could not repay this amount as per schedule and has now again submitted a modified rehabilitation scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival; policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. Accordingly company has not provided for any interest on this amount as neither there is a demand nor it is payable.
2.	In the Auditor's report under point (b) of matter of emphasis it has been stated that "With reference to note no 4 & 8, these accounts have been prepared without any provision of interest, if any, payable to Government of UP on overdue	Financial impact not ascertainable because so far company has not received any demand for interest.	The Company was allowed deferment of Trade Tax/VAT by Hon'ble BIFR in pursuance to Rehabilitation Scheme sanctioned on 22/4/2002 and modified rehabilitation scheme sanctioned on 19/10/2006. As per the modified rehabilitation scheme

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	principal amount of deferred Trade Tax amounting to Rs. 3016.09 lacs. In the absence of any documentary evidences pending BIFR proceedings, we are not in a position to state / qualify whether any interest shall be payable on such amounts.		the Company was required to repay the deferred taxes w.e.f 1/7/2011. As per the original as well as modified rehabilitation scheme no interest was payable by the Company on these deferred amounts. However, due to continued losses the Company could not repay this amount as per schedule and has now again submitted a modified Rehabilitation Scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival;policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. Accordingly company has not provided for any interest on this amount as neither there is a demand nor it is payable.
3.	In the Auditor's Report under point (c) of matter of emphasis it has been stated that "With reference to Note no. 22 that the company suspended its manufacturing activities since 25.03.2010 and accordingly declared 'lay off' for indefinite period and board has not yet made out any detailed plan. Such long suspended activities coupled with the fact that the company's accumulated losses have exceeded its net worth, indicates the existence of a material uncertainty about the company's ability to	Financial impact not ascertainable	The Company was declared a sick industrial company in May, 2001 by the Hon'ble Board for Industrial and Financial Reconstruction. The management is putting their best efforts to revive the operations of the Company. However due to continued losses and erosion of working capital, the Company had to suspend its production activities and the workers are laid off w.e.f. March 25, 2010. Hon'ble BIFR is in the process of formulating a modified rehabilitation scheme for the company. IDBI, the Operating Agency on the instructions of the

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	recommence its operations and severally affecting the 'going concern assumption'. However, these accounts have been prepared by the management on 'going concern assumption' in view of the pending reference before BIFR under the Sick Industrial Companies (Special Provisions) Act, 1985 as explained in the said note 22.		BIFR has conducted a Techno Economic Viability Study (TEVS). As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State. Therefore, in the opinion of the Directors the operations of the company can be recommenced and accordingly the accounts have been prepared on the Going Concern Assumption.
4.	In the Auditor's Report under point (1) of Basis for Qualified Opinion it has been stated that "Attention is drawn that the inventories of Rs.135.13 lacs includes Stores, Spares & Packing Material, which in the absence of physical verification may not be realizable at the values shown in these financial statements and for which no provision for its impairment in its value, if any is made. Accordingly the losses for the current year and accumulated losses are shown less and current assets are shown in excess of Rs.135.13 lacs".	Maximum financial impact Rs 135.13 lacs. However, it would be ascertained only after the company restarts its manufacturing operations.	As mentioned in the foregoing paragraph, a modified rehabilitation scheme is being submitted to Hon'ble BIFR based on the Techno Economic Viability Study which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and makes them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Therefore, in the opinion of the Directors the operations of the company can be recommenced. All these items of stores, spares and packing material have been stored properly and shall be consumed once the operations are re-started. Therefore, no provision for any impairment has been made.
5.	In the Auditor's Report under point (2) of Basis for Qualified Opinion it has been stated that "Attention is drawn that the Capital Work in Progress of Rs.9.96 lacs, which has not yet	No financial impact is envisaged as the pending Capital work would be completed and the amount of Rs. 9.96 lacs shown as	The explanation of Directors on the above comment is as under: As mentioned in the foregoing paragraph, a modified rehabilitation scheme is being

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	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.”	“Capital Work in Progress” would be accordingly capitalized	submitted to Hon’ble BIFR based on the Techno Economic Viability Study which IDBI, the Operating Agency had got conducted, so that the company can revive the operations and make them viable in long term. As per the TEVS report submitted by IDBI, the unit can be revived subject to up gradation of the existing plant and machinery etc. Therefore, in the opinion of the Directors the operations of the company can be recommenced. Once the company recommences its operation, the pending Capital work would be completed and the amount of Rs. 9.96 lacs shown as “Capital Work in Progress” would be accordingly capitalized.
6.	In the Auditor’s Report under point (3) of Basis for Qualified Opinion it has been stated that “Interest on unpaid overdue Public Deposits of Rs.30.00 lacs for the year has not been provided for amounting to Rs. 2.25 lacs (accumulated Rs.17.25 lacs approx. up to date of Balance Sheet). Accordingly loss for the current year and accumulated losses are less and current liabilities are also less by Rs. 17.25 lacs.”	Rs 17.25 lacs. However, the company is hopeful that the liability will not crystallize as the company is hopeful of getting relief from Hon’ble BIFR	The explanation of Directors on the above comment is as under: Due to the erosion in the net worth and continuous losses, the company has not been able to pay interest on the deposit. The company would seek waiver of the interest in terms of the modified rehabilitation scheme that is under consideration of Hon’ble BIFR.
7.	In the Auditor’s Report under point (4) of Basis for Qualified Opinion it has been stated that “Charges on account of Minimum demand charges (with surcharge) and surcharge on deferred power charges amounting in aggregate to Rs 2012.72 lacs levied by Paschimanchal Vidyut Vitran	Rs 2012.72 lacs However, the company is hopeful that the liability will not crystallize as the company is hopeful of getting relief in view of the revival policy for sick units in the State of Uttar Pradesh and	The company has submitted a modified rehabilitation proposal in which it has requested for the reversal of the interest charged by Paschimanchal Vidyut Vitran Nigam and for the waiver of the minimum demand charges as it pertains to the period when the power supply to the unit was disconnected. Moreover, the

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	Nigam has not been provided for in these accounts as referred in Note 4 and Note 20. Accordingly the losses for the current year and accumulated losses are shown less and current liabilities are also shown lesser by Rs.2012.72 lacs."	rehabilitation proposal submitted to Hon'ble BIFR.	Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which no interest shall be charged for the past period and if any interest has been charged, the same would be waived. Accordingly company has not provided for this liability although it is shown as Contingent Liability.
8.	In the Auditor's Report under point (5) of Basis for Qualified Opinion it has been stated that "In the absence of adequate documentation and documentary proofs, we are unable to comment whether there is any impairment in the value of the fixed assets due to efflux of time and suspension of manufacturing activities since March 2010 and requirement of provision for the same, which might be required to be provided for. In the absence of adequate records and any proofs of physical verification, the discrepancies, realizable/salvage value, the impact of impairment cannot be ascertained."	No financial impact in the opinion of the management as the plant is in working condition.	The explanation of Directors on the above comment is as under: Since the manufacturing operations have been suspended, the entire plant has been put under lock and key and periodically the plant is opened to check the condition and the physical status of the machinery and equipment's. In the opinion of Board of Directors there is no deterioration in the condition of Plant & Equipment's requiring for any provision for impairment.
9.	At Para 1 (a) & (b) of Annexure A of the Auditor's Report it has been stated that "a) In view of the suspended manufacturing activities by the company since March 2010, we are unable to state whether the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. b) As explained and informed to	No financial impact in the opinion of the management	Since the manufacturing operations have been suspended, the entire plant has been put under lock and key and periodically the plant is opened to check the condition and the physical status of the machinery and equipments.

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	us that the manufacturing activities of the company are suspended since March 2010 and the Management has stated to have carried out the physical verification of part of the fixed assets during the year under consideration. In the absence of adequate documents, we are unable to comment whether such physical verification of the fixed assets was carried out or the frequency of such physical verification was reasonable having regard to the size of the company and the nature of its fixed assets. In absence of any such record of physical verification, the discrepancies, if any, between the physical assets and the book records are not ascertainable.”		
10.	<p>At Para 2 (a) & (b) of Annexure A of the Auditor’s Report it has been stated that:</p> <p>“(a) Since the company has suspended its activities since March 2010 and in the absence of adequate documentary evidence, we are unable to state whether the company has carried out physical verification of its inventories and at reasonable intervals. We are unable to comment whether the frequency of physical verification is reasonable.</p> <p>b) In absence of any records for physical verification of inventories, the discrepancies, if any, between the physical stock and the book records are not ascertainable.”</p>	<p>No financial impact in the opinion of the management except for the impairment of value which may or may not be there as mentioned in para 4 above.</p>	<p>The explanation of Directors on the above comment is as under:</p> <p>Since the manufacturing operations have been suspended, the stores and godowns have been put under lock and key and periodically these godowns are opened to check the condition and the physical status of the inventories.</p>

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CIN: L01112UP1989PLC011004

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11.	At Para 5 of Annexure A to the Auditor's Report it has been stated that "The Company has not accepted any deposits from the public except in relation to a sum of Rs 6.14 lacs as advance from customers outstanding for more than 365 days which is not in compliance of sections 73 and 74 of the Act. According to the information and explanation given to us, the Company has also not complied with the provisions of section 73 and 74 of the Act and the rules framed there under so far as applicable to the repayment of principal amount and interest on due dates or the renewal thereof in respect of overdue public deposit of Rs.30 lacs."	No financial impact as a) The company has forfeited advance of Rs 6.14 lacs due to non compliance of contract terms by the customer b) the company has sought waiver of the interest in respect of the unsecured loan and	As regards, advance of Rs 6.14 lacs from customer, the company has forfeited advance of Rs 6.14 lacs due to non- compliance of the terms of the contract. As regards unsecured loan of Rs 30 lacs, at the time of the acceptance of deposit the company had duly complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. However, due to the erosion in the net worth and continuous losses, the company has not been able to pay interest on the deposit w.e.f. 01.07.2010. The company would seek waiver of the interest and reschedulement of the repayment terms in pursuance to the modified rehabilitation scheme that is under consideration of Hon'ble BIFR.
12.	Para 7(a) of Annexure A to the Auditor's Report it has been stated that "According to the information and explanations given to us and on the basis of our examination of the records of the company, undisputed statutory dues including provident fund, employees state insurance, income-tax, sales-tax, service-tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, to the extent applicable to it. Further, no undisputed amounts payable in respect thereof were in arrears at the year-end for a period of	Except for the amount of penalty of Rs15.68 lacs for which the company is seeking waiver, the rest of the amounts are already provided in the books of accounts.	The Company has requested for further time for repayment of these dues as per the modified rehabilitation scheme submitted to Hon'bleBIFR.Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which further time is being given for the payment of the past over dues.

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	<p>more than six months from the date they became payable; except the following:</p> <p>(i) Deferred Trade Tax/ Vat amounting to Rs.3016.09 lacs (Previous year Rs.3016.09 lacs) in terms of order of BIFR for the rehabilitation. Refer note no. 22 of these financial statements.</p> <p>(ii) Excise Duty amounting to Rs 15.68 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR.</p> <p>(iii) Penalty on Excise Duty amounting to Rs 15.68 lacs for which the company has requested for waiver as per the rehabilitation proposal submitted to BIFR</p> <p>(iv) Employees' State Insurance amounting to Rs 4.21 lacs for which the company has proposed for deferred payment as per the rehabilitation proposal submitted to BIFR</p>		
13.	<p>Para 7(a) of Annexure A to the Auditor's Report it has been stated that "Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has defaulted in repayment of dues to PICUP in terms of the</p>	<p>No financial impact as the liability is already provided. Further please refer to comments in para 1 above.</p>	<p>The interest free loan received from PICUP in lieu of deferred Sales Tax was payable in F.Y. 2012-13. As per the original as well as modified rehabilitation scheme sanctioned by Hon'ble BIFR, no interest was payable by the Company on this Loan. However, due to continued losses</p>

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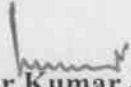
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rehabilitation plan sanctioned by BIFR and an amount of Rs. 446 lacs was overdue and which is not yet paid by the company in view of the Modified Rehabilitation Scheme submitted by the company to BIFR seeking more time for the repayment"	the Company could not repay this amount as per schedule and has now again submitted a modified rehabilitation scheme to Hon'ble BIFR in which further time has been requested for repaying this amount without any interest for past as well as future period. Further the Government of Uttar Pradesh has also formulated a revival policy for the sick units in the State as per which further time is being given for the payment of the past overdues.
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For Shri Gang Industries and Allied Products Limited


Janeshwar Kumar Jain
Whole Time Director
Compliance Officer