

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 2017 and the year to date results for the period 1st April 2016 to 31st March 2017, 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 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

- i. 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.
- ii. 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.
- iii. 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.

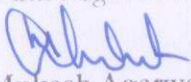
In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

- (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 31.03.2017 as well as the year to date results for the period from 01.04.2016 to 31.03.2017.

For TAS ASSOCIATES

Chartered Accountants

[Firm Registration No. 180241N]


Mukesh Agarwal



Partner

M No. 090582

Place: New Delhi

Date: 29.05.2017

SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED

(FORMERLY SURAJ VANASPATI LIMITED)

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

CIN: L01112UP1989PLC011004

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

Audited Financial Results for the quarter ended 31st March 2017 & year ended 31st March 2017

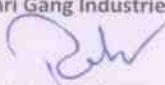
(Rs. in Lacs)

	Particulars	Quarter ended 31.03.2017 (Audited)	Quarter ended 31.12.2016 (Reviewed)	Quarter ended 31.03.2016 (Audited)	Year ended 31.03.2017 (Audited)	Accounting Year (nine months) ended
1	Income from operations					
	(a) Revenue from Operations	22.50	5.76	0.05	68.90	0.21
	(b) Other Income	2.68	0.00	0.00	8.82	0.00
	Total income from operations	25.18	5.76	0.05	77.72	0.21
2	Expenses					
	(a) <u>Cost of materials consumed</u>					
	(i) Raw materials	86.08	0.08	0.00	133.40	0.00
	(ii) Packing & other materials	6.05	1.24	0.00	12.16	0.00
	(b) Purchases of stock-in-trade	0.00	0.00	0.00	0.00	0.00
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(67.72)	5.30	0.00	(78.34)	0.00
	(d) Employee benefits expense	7.57	5.81	0.00	21.80	0.00
	(e) Depreciation and Amortisation Expenses	(2.84)	8.02	8.02	21.22	24.00
	(e) Finance Costs	26.03	8.04	0.02	34.08	0.03
	(f) <u>Other expenses</u>					
	(i) Listing Fees	1.25	0.00	0.00	6.53	0.29
	(ii) Legal & Professional Charges	8.66	4.91	4.36	20.80	4.36
	(iii) Upfront Fees paid to PICUP	0.00	0.00	10.00	0.00	10.00
	(iv) Monitoring Charges paid to IDBI	0.00	0.00	2.29	2.30	2.29
	(v) Tours & Travels	6.52	7.74	0.00	15.69	0.00
	(vi) Other expenses (not exceeding 10% of the total expenses relating to continuing operations)	16.90	2.29	1.08	31.19	1.16
	Total Expenses	88.49	43.43	25.77	220.82	42.13
3	Profit / (Loss) before exceptional and extraordinary items and tax(5+6)	(63.32)	(37.67)	(25.72)	(143.11)	(41.92)
4	Exceptional Items					
	(i) Provision for VAT/Income Tax/Excise Duty/ESIC relating to earlier years	0.00	0.00	19.89	0.00	20.36
	(ii) Gratuity for prior period	0.00	0.00	0.00	0.00	0.55
	(iii) Old & Unsuable materials written off	79.66	0.00	0.00	135.13	0.00
5	Profit / (Loss) before extra ordinary items and tax (7+8)	(142.98)	(37.67)	(45.61)	(278.24)	(62.83)
6	Extraordinary items	0.00	0.00	0.00	0.00	0.00
7	Profit / (Loss) before tax (7+8)	(142.98)	(37.67)	(45.61)	(278.24)	(62.83)
8	Tax Expense					
	Current Tax	0.00	0.00	0.00	0.00	0.00
	Deferred Tax	0.00	0.00	0.00	0.00	0.00
9	Net Profit / (Loss) for the period from continuing operations	(142.98)	(37.67)	(45.61)	(278.24)	(62.83)
10	Profit / (Loss) from discontinuing operations before tax expense	0.00	0.00	0.00	0.00	0.00
11	Tax expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00
12	Net Profit / (Loss) from discontinuing operations after tax	0.00	0.00	0.00	0.00	0.00
13	Net Profit / (Loss) for the period (11+12)	(142.98)	(37.67)	(45.61)	(278.24)	(62.83)
14	Details of equity share capital					
	Paid-up equity share capital	793.00	793.00	793.00	793.00	793.00
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	0.00	0.00	0.00	0.00	0.00
16	Earnings per equity share (*not annualized)					
	a) Basic earnings (loss) per share from continuing and discontinued operations	*(1.80)	*(0.48)	(0.57)*	(3.51)	*(0.79)

b) Diluted earnings (loss) per share from continuing and discontinued operations	*(1.80)	*(0.48)	(0.57)*	(3.51)	*(0.79)
Public Shareholding					
i) No. of Shares	5346995	5346995	5662620	5346995	5662620
ii) % of Shareholding	67.43	67.43	71.41	67.43	71.41
Promoters promoter group shareholding					
(a) Pledged/Encumbered					
- Number of Shares	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
- Percentage of Shareholding (as % of total share capital of Co.	0.00	0.00	0.00	0.00	0.00
(b) Non-Encumbered					
- Number of Shares	2583005	2583005	2267380	2583005	2267380
- Percentage of Shareholding (% of promoter & Group)	100.00	100.00	100.00	100.00	100.00
- Percentage of Shareholding (as % of total share capital of Co.	32.57	32.57	28.59	32.57	28.59

STATEMENT OF ASSETS & LIABILITIES AS AT 31.03.2017

		Rs in Lacs	
		As on 31.03.2017 (Audited)	As on 31.03.2016 (Audited)
A	EQUITY & LIABILITIES		
1	Shareholders' Funds		
(a)	Share Capital	793.00	793.00
(b)	Reserves & Surplus	(6651.11)	(6372.87)
	Total Shareholders' Funds	(5858.11)	(5579.87)
2	Non Current Liabilities		
(a)	Long Term Borrowings	801.30	360.30
(b)	Deferred Tax Liabilities (Net)	0.00	0.00
(c)	Other Long Term Liabilities	4079.08	551.86
(d)	Long Term provisions	0.23	2.91
		4880.61	915.07
3	Current Liabilities		
(a)	Short Term Borrowings	1207.10	30.00
(b)	Trade Payables		
-	Total outstanding dues of micro and small enterprises	0.00	0.00
-	Total outstanding dues of creditors other than micro and small enterprises	1049.98	1058.71
(c)	Other Current Liabilities	33.83	4133.33
(d)	Short Term Provisions	0.00	0.00
		2290.91	5222.04
	Total	1313.41	557.24
B	ASSETS		
1	Non Current Assets		
(a)	Fixed assets		
-	Tangible Assets	329.01	349.67
-	Intangible Assets	0.00	0.00
-	Capital Work in Progress	39.74	9.96
	Total Fixed Assets	368.75	359.63
(b)	Non-current investments	0.00	0.00
(c)	Deferred Tax Assets (net)	0.00	0.00
(d)	Long Term Loans & Advances	394.94	48.02
(e)	Other Non Current Assets	401.21	0.00
	Total non-current assets	1164.90	407.65
2	Current Assets		
(a)	Current Investments	0.00	0.00
(b)	Inventories	101.49	135.13
(c)	Receivables	9.35	1.06

(d) Cash & Cash Equivalents	1.24	1.41
(e) Cash & Cash Equivalents	0.38	0.55
(f) Short Term Loans & Advances	21.52	3.00
(g) Other Current Assets	14.53	8.44
	148.51	149.59
Total	1313.41	557.24
1 The above results were adopted by the Audit Committee in their meeting held on 29.05.2017 and thereafter by the Board of Directors in their meeting held on 29.05.2017		
2 The figures pertaining to the last quarter are the balancing figures between the audited figures in respect of period from 01.04.2016 to 31.03.2017 and the published year to date figures upto 31.12.2016		
3 Deferred Tax Liability as per Accounting Standard - 22 is NIL		
4 During the quarter ending the Company has received Nil Complaints from investors.		
5 There is no pending complaint at the end of the quarter ended 31.03.2017		
6 Previous years figures have been regrouped/ re-arranged to make them comparable to current period/ year.		
7 Since the Company is having only single segment of trading/manufacture of edible oils. Hence no segmental information has been given		
Place: DELHI Date: 29.05.2017	By Order of the Board For Shri Gang Industries & Allied Products Ltd.  Syed Azizur Rahman Whole Time Director	

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Contact No: 011-42524454

**Statement on Impact of Audit Qualifications (for audit report with modified opinion)
submitted along-with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Rupees in Lacs)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	77.71	77.71
	2.	Total Expenditure	355.95	386.16
	3.	Net Profit/(Loss)	-278.24	-308.45
	4.	Earnings Per Share	-3.51	-3.89
	5.	Total Assets	1313.41	1303.45
	6.	Total Liabilities	7171.52	7191.77
	7.	Net Worth	-5858.11	-5888.32
	8.	Any other financial item(s)	-	-
II.	(A) Audit Qualification			
	a) Details of Audit Qualification:			
	b) Auditors Remark-1: In the Auditor's Report under point (a) of matter of emphasis it has been stated that "With reference to note no 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."			
	a. Type of Audit Qualification: Disclaimer of Opinion			
	b. Frequency of Audit Qualification: Repetitive Audit Qualification			
	c. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.			
	d. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: N.A.			
	(ii) If management is unable to estimate the impact, reasons for the same: 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 instalments after initial moratorium of 2 years
	(iii) Auditors' Comments on (i) or (ii) above:
	No Comments as future uncertainty is attached.
	(B) Audit Qualification
	a. Details of Audit Qualification:
	Auditors Remark-2: In the Auditor's 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".
	b. Type of Audit Qualification: Disclaimer of Opinion
	c. Frequency of Audit Qualification: Repetitive Audit Qualification
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: 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 Niagm Ltd. This waiver is subject to the approval of Uttar Pradesh Electricity Regulatory Commission for which the petition has been filed by the Government as well as the company. Since this is procedural in nature, no provision is required unless said approval is specifically denied.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: NA
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: NA
	(C) Audit Qualification
	a. Details of Audit Qualification:
	c) Auditors Remark-3: In the Auditor's 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

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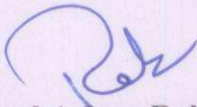
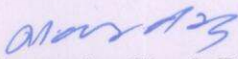
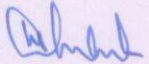

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	a material uncertainty about the company's ability to re-establish its full operations, severally affecting the 'going concern assumption'. However, these accounts have been prepared by the management on 'going concern assumption' in view of the UP Govt order No 1571/77-1-2016-10 (BIFR)/2009TC dated 29.12.2016, as explained in the said note 26."
	b. Type of Audit Qualification: Matter of Emphasis
	c. Frequency of Audit Qualification: Repetitive Audit Qualification
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: N.A.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification: N.A.
	(ii) If management is unable to estimate the impact, reasons for the same: 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.
	(iii) Auditors' Comments on (i) or (ii) above: No further Comments as Management's explanation is self explanatory.
	(D) Audit Qualification
	a. Details of Audit Qualification: 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".
	b. Type of Audit Qualification: Qualified Opinion

	c. Frequency of Audit Qualification: Repetitive Audit Qualification
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: 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.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.
	(E) Audit Qualification
	a. Details of Audit Qualification: 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."
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of Audit Qualification: Repetitive Audit Qualification
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: 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 instalments.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor: N.A.
	(F) Audit Qualification
	a. Details of Audit Qualification: i. 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..”
	b. Type of Audit Qualification: Qualified Opinion
	c. Frequency of Audit Qualification: Repetitive Audit Qualification
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management’s Views: N.A.
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:
	(i) Management’s estimation on the impact of audit qualification: N.A.
	(ii) If management is unable to estimate the impact, reasons for the same: 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.
	(iii) Auditors’ Comments on (i) or (ii) above: A periodical technical appraisal should have been carried out to ascertain the physical status of the assets, which would also facilitate to estimate the restoration costs, if any.
III.	Signatories:
	For Shri Gang Industries and Allied Products Limited
	<div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  Syed Azizur Rahman Whole Time Director </div> <div style="text-align: center;">  Narendra Singh Bisht Audit Committee Chairman </div> </div> <p>CFO- At present the Company does not have any CFO.</p> <p>For TAS ASSOCIATES Chartered Accountants Firm Registration No.:010520N</p> <div style="display: flex; justify-content: space-between;"> <div style="text-align: center;">  (MUKESH AGRAWAL) Partner Membership No.: 090582 </div> <div style="text-align: center;">  </div> </div> <p>Place: New Delhi</p> <p>Date: May 29, 2017</p>