

31st Annual Report
2019-20

**SHRI GANG INDUSTRIES AND
ALLIED PRODUCTS LIMITED**

CIN NO: L01112UP1989PLC011004

CORPORATE INFORMATION

Whole Time Director	Mr. Syed Azizur Rahman
Whole Time Director	Mr. Sunil Goel
Non-Executive Non Independent Director	Mrs. Anita Gupta
Non-Executive Independent Director	Mr. Yogesh Kumar
Non-Executive Independent Director	Ms. Seema Sharma
Chief Financial Officer	Mr. Anil Kumar Gupta
Company Secretary	Ms. Kanishka Jain
Bankers	HDFC Bank Ltd.
Statutory Auditors	M/s Satendra Rawat & Company, 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, Second Floor, Okhla Industrial Area, Phase- II, New Delhi-110020 Contact No- 011-42524454 Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi-110062 Contact No- +91-11-2996 1281/83
Share Transfer Agent	

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NOTICE OF 31ST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First (31st) Annual General Meeting (AGM) of the members of **M/s Shri Gang Industries and Allied Products Limited** will be held on Wednesday, September 30, 2020 at 3:30 P.M. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh-203205:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2020, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sunil Goel (DIN: 01229459), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **To consider and if thought, to pass with or without modification(s), following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV of the Companies Act, 2013 and the Companies (Appointment & Qualifications of Directors) Rule, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time, and the recommendation of Nomination and Remuneration Committee, Ms. Seema Sharma (DIN: 08728701), who was appointed as an Additional Director of the Company with effect from March 31, 2020, pursuant to Section 161 of the Act and Articles of Association of the Company and who has submitted the declaration that she meets the criteria for Independence as provided under the Act and the SEBI Listing Regulations and who holds office upto the date of this Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, be and is hereby appointed as an Independent Non- Executive Director of the Company.”

“RESOLVED FURTHER THAT Ms. Seema Sharma shall hold the office as Independent Director for a term upto five consecutive years effective from March 31, 2020 and whose office shall not be liable to retire by rotation.”

4. **To consider and if thought, to pass with or without modification(s), following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 196, 197, 198, 203 read with Schedule V, the Companies (Appointment and Qualifications of Directors) Rules, 2014, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all 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), the consent of the members be and is hereby accorded for the re-appointment of Mr. Sunil Goel, as Whole-

Time Director of the Company designated as Key Managerial Personnel at a total remuneration of Rs. 2,50,000 /- per month (Rupees Two Lakh Fifty Thousand per month) for a period of One (1) years w.e.f. February 14, 2020 on the terms and conditions as the Board may deem fit in this regard.”

“RESOLVED FURTHER THAT no sitting fees will be paid to the Whole Time Director for attending the meetings of the Board of Directors or any committee thereof”

“RESOLVED FURTHER THAT in the absence or inadequacy of profits in the Financial Year during the currency of tenure of the Whole Time Director, remuneration payable to the Whole Time Director shall not exceed the maximum limits prescribed under Section II Part II of Schedule V of the Companies Act, 2013 with a proviso that the remuneration would be payable from the date of commencement of production in the Distillery Unit of the Company being set up at Sandila, Dist. Hardoi, Uttar Pradesh.”

5. To consider and if thought, to pass with or without modification(s), following resolution as an Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (“the Act”), the rules made thereunder and all other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force), consent of the members be and is hereby accorded by way of Special Resolution to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to mortgage and/or charge any of the Company’s movable and/or immovable properties wherever situated both present and future or to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a charge/mortgage/hypothecation on such terms and conditions at such time(s) and in such form and manner, in addition to the existing charges/mortgages/hypothecation/pledge created/ to be created by the Company, and with such ranking as to the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company’s one or more undertakings or all of the undertakings in favor of NBFCs/ Banks/ Central or State Government Departments/ Central or State Government undertakings/ State and other Financial Institutions or other bodies corporate, together with interest, cost, charges and expenses thereon for amount not exceeding **Rs. 150 Crore (Rupees One Fifty Crore Only)**.

“RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank prior/pari-passu/subservient with/to the mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties”.

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to finalize, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating charge/mortgage or selling, leasing or otherwise disposing of the undertaking(s) of the Company and also to delegate all such powers to Director(s)/Officer(s) of the Company and Authorized Representatives on behalf of the Company and generally to do all acts, deeds and things that

may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

**Date: 02.09.2020
Place: New Delhi**

**Sd/-
Kanishka Jain
(Company Secretary)
Membership No. 54347**

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

Corporate office:
F-32/3, Second Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020

NOTES:

- a) In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circulars dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC/OAVM. Instructions for attending the meeting through VC/OAVM and remote e-voting are attached.
- b) In line with the various MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories ("DP"). Public notices will be release by the Company, requesting all the members to intimate/update their email ids with their DPs/Registrars of the Company. 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. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website www.shrigangindustries.com website of BSE Limited (www.bseindia.com) and website of Central Depository Services Ltd (www.evotingindia.com).
- c) Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars dated 08.04.2020, 13.04.2020 and 05.05.2020 through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice. Likewise, the Route Map is also not annexed with this Notice.
- d) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members can attend and participate in the Annual General Meeting through VC/OACM only.
- e) Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the company by email through its registered email address at secretarial@shrigangindustries.com.
- f) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to items of Special Business is attached and forms part of this notice.
- g) The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, 30th September, 2020 (both days inclusive).
- h) Members holding shares in electronic form are requested to intimate all changes pertaining to their bank particulars, nominations, power of attorney, change of address,

change of name, email address, contact numbers, etc., to their Depository Participants (DP). Changes intimated to the DP will then be automatically reflected in the Company's record which will help the Company and M/s Beetal Financial and Computer Services Private Limited, Registrar and Transfer Agent of the Company, to provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to the Company or M/s Beetal Financial and Computer Services Private Limited.

- i) Members holding shares in physical form are mandatorily required to dematerialize their holding in order to eliminate all risks associated with physical share certificate. Members can contact the Company or its RTA i.e. Beetal Financial and Computer Services Private Limited for further assistance.
- j) The relevant details, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment/retire by rotation at this AGM are annexed to the notice as **Annexure-A**.
- k) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's Registrars, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- l) In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- m) Electronic copy of all documents referred to the accompanying Notice of the 31st Annual General Meeting will be available for inspection by members in electronic mode at the Company's website i.e. www.shrigangindustries.com.
- n) The Company has a registered E-mail address secretarial@shrigangindustries.com for members to mail their queries or lodge complaints, if any. The Company endeavors to reply to queries at the earliest. The Company's website www.shrigangindustries.com has a dedicated section on Investors.
- o) The Securities and Exchange Board of India (SEBI) vide Circular (SEBI/HO/MIRSD/DOP1/CIR/P/2018/73) dated April 20, 2018 has mandated the submission of Permanent Account Number (PAN) and Bank details by every participant in securities market. Members holding shares in electronic form are mandatorily required to submit their PAN and Bank details to their depository participants with whom they are maintaining their D-mat accounts. Members holding shares in physical form can submit their PAN and Bank details to the Company/ RTA. Shareholders who have not updated their details are requested to send their PAN and Bank details in terms of the above said SEBI Circulars.
- p) 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.

- q) Members desirous of getting any information about the accounts, operations or if the members have any query in relation to the matters to be considered in the AGM through VC/OAVM are requested to serve the company a list of query alongwith their names, folio no., mobile number and email id to the Company at secretarial@shrigangindustries.com on or before **23th September, 2020** to enable the Company to keep the information ready at the Meeting.
- r) Members of the Company holding shares either in physical form or in electronic form as on the cut-off date, i.e., **Wednesday, 23rd September, 2020** may cast their vote by remote e-Voting. The remote e-Voting period commences on, **Sunday 27th September, 2020 at 10.00 a.m. (IST)** and ends **on Tuesday, 29th September, 2020 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members (for voting through remote e-Voting before/ during the AGM) shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of **Wednesday, 23rd September, 2020**.
- s) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by CDSL (Central Depository Services Limited).
- t) Mr. Deepak Kukreja, a Practicing Company Secretary (FCS No. 4140, C.P. No.: 8265) Proprietor, Deepak Kukreja & Associates, Company Secretaries, has been appointed as “Scrutinizer” to scrutinize the remote e-Voting in a fair and transparent manner and he has communicated his willingness to be appointed and he himself or his/her authorized representative will be available at the AGM for the same purpose.
- u) The Scrutinizer shall, immediately after the conclusion of e-voting at the AGM, unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- v) The Results declared along with the Scrutinizer’s Report shall be placed on the website of the Company at www.shrigangindustries.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of Result by the Chairman or any person authorized by him in writing. The Results shall also be forwarded to the Stock Exchanges where the shares of Company are listed, i.e., BSE Limited.
- w) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the 31st AGM scheduled to be held on 30th September, 2020.
- x) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will

be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- y) 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. 23rd September, 2020, 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.
- z) The Company has electronic connectivity with CDSL and NSDL and the ISIN of the Company is INE241V01018 for dematerialization of the company's shares. We hereby request all the members to get their shares dematerialized.

Instructions for remote e-voting & participating in the Annual General Meeting (Agm) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

PART A: Instructions for Remote Electronic Voting (E-Voting) prior to the AGM

- i. For remote e-voting, we are using the platform provided by Central Depository Services (India) Ltd ("CDSL"). The remote e-voting period begins at 10:00 hours on 27-09-2020 and ends at 17:00 hours on 29-09-2020. During this period Shareholders of the Company (hereinafter referred to as "You"), holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23-09-2020 may cast vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. Once you have voted electronically, you would not be able to change the same.
- iii. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- iv. Click on "Shareholders" tab.
- v. 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.
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.OR
Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.
- vi. Next enter the Image Verification as displayed and Click on Login.

- vii. 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. In case you have forgotten the same, click the “Forgot Password” link on that website to set up a new password.
- viii. If you are a **first time user** of CDSL e-voting services then follow the steps given below:

For members holding shares in Demat Form and Physical Forms

PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>- 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.</p> <p>- 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.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>-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 as mentioned in instruction (v) above.</p>

- ix. After entering these details appropriately, click on “SUBMIT” tab.
- x. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xii. **Click on the EVSN of M/s Shri Gang Industries and Allied Products Limited which is 200827025.**
- xiii. 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.
- xiv. Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.

- xv. 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.
- xvi. Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- xvii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xix. Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company** at secretarial@shrigangindustries.com or **RTA** at beetalrta@gmail.com marking CC to Company.
 - ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company** at secretarial@shrigangindustries.com or **RTA** at beetalrta@gmail.com marking CC to Company.
- xx. Note for –Non Individual Shareholders and Custodians:**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed 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 copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - 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 csscrutinizer@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com to verify the same.
- xxi. 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- xxii. Your voting rights shall be in proportion to your shares in the paid up equity share capital of the Company as on the cut-off date mentioned above, i.e., 23rd September, 2020.

PART B: Instructions for members to attend the Annual General Meeting through Video Conferencing (VC) / Other Audio Visual Means (OAVM)

1. In order to enable you to be electronically present at the AGM, you will need to log into the e-voting website of CDSL i.e. “<https://www.evotingindia.com>” under “Shareholders/Members” tab using your remote e-voting credentials. This may be done using a computer or a mobile device (desktop computer, laptop, i-pad, etc) with a stable internet connection. You will be required to allow camera in your device. In order to enable you to register your electronic presence at the AGM, the link for VC/OAVM will be available alongside the EVSN of the Company. The facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available to Members on first come first served basis.
2. If you are connecting your device through a mobile hotspot, you may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use wifi or LAN with a good and stable internet speed to mitigate any kind of aforesaid glitches.
3. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 23.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at secretarial@shrigangindustries.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 20.09.2020 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
4. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
5. In case you have any queries or issues regarding VC/OAVM, you may refer to 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 or contact them at their helpline number 1800225533.

PART C: THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

The procedure for e-voting on the day of the AGM is same as contained in Part A of these instructions except that:

1. Only those shareholders, who have electronically registered their presence at the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting during the period mentioned in para (i) of Part A of these instructions (and are otherwise not barred from doing so), shall be eligible to vote through remote e-voting system available during the AGM.
2. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
3. Shareholders who have already voted through remote e-Voting during the period mentioned in para (i) of Part A of these instructions, will be eligible to attend the AGM through VC/OAVM. However, they will not be eligible to vote again at the AGM.

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

**Date: 02.09.2020
Place: New Delhi**

**Sd/-
Kanishka Jain
(Company Secretary)
Membership No. 54347**

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

Corporate office:
F-32/3, Second Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013**Item No. 3**

Pursuant to the provisions of Section 149, 150 and 160 of the Companies Act, 2013 and Article 80 of the Articles of Association of the Company, the Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Seema Sharma (DIN: 08728701) as an Additional Director of the Company under the category Independent Non-executive, with effect from March 31, 2020. Ms. Seema Sharma shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto 5 (Five) consecutive years.

The Company has received notice under Section 160 of the Companies Act, 2013 from one of the member of the Company signifying her candidature as an Independent Director of the Company. The Company has also received a declaration of independence from Ms. Seema Sharma. In the opinion of the Board, Ms. Seema Sharma fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for being eligible for her appointment. Ms. Seema Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

A brief profile of Ms. Seema Sharma, including nature of her expertise, is provided as an additional information required to be furnished pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on general meetings, forming part of the Notice calling AGM as **Annexure-A**.

Except Ms. Seema Sharma, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 3 of the Notice calling AGM.

The Board recommends the proposed Resolution set out in Item No. 3 for the approval of members of the Company as an Ordinary Resolution.

Necessary documents in this regard are available for inspection by the Members in electronic mode under Investor Relations link of Company's Website www.shrigangindustries.com.

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 on the recommendation of Nomination and Remuneration Committee, had re-appointed Mr. Sunil Goel (DIN: 01229459) as Whole Time Director of the company designated as KMP at a total remuneration of Rs. 2,50,000/- (Rs. Two Lakh Fifty Thousands only) per month for a period of One (1) year w.e.f. 14th February 2020 subject to the approval of members of the company.

In compliance with the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of appointment and remuneration as set out in Item No. 4 are now being placed before the members for their approval by way of Ordinary Resolution.

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 & selling 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 existence and is in operation)		
(4)	Financial performance of the Company for the last 3 years is given below:			
	Particulars	Financial Year Ended		
		March 31, 2018	March 31, 2019	March 31, 2020
		(Amount in Rs.)		
	Revenue	130,334,441	43,964,886	59,340
	Other Income	1,481,718	6,512,864	2,743,574
	Total Income	131,816,129	50,477,750	2,802,914
	Total Expenditure	173,572,240	74,067,295	38,937,553
	Profit (Loss) before Tax	(48,091,294)	(25,501,637)	(36,134,639)
	Profit/Loss after tax and adjustments	(48,091,294)	(25,501,637)	(36,134,639)
(5)	Foreign investments or collaborators, if any	Nil		

II. INFORMATION ABOUT THE APPOINTEE

MR. SUNIL GOEL AS WHOLE TIME DIRECTOR

(1)	Background Details	Mr. Sunil Goel is Masters in Business Administration by qualification.
(2)	Past Remuneration	NIL
(3)	Recognition or Awards	--
(4)	Job Profile and his suitability	Mr. Sunil Goel has more than 30 years' experience in the field of trading and manufacturing of various diverse products.

(5)	Remuneration Proposed	Rs. 2,50,000/- per month with a proviso that the remuneration shall be payable from the day of commencement of production at the Distillery Unit of the Company being set up at Sandila, Dist. Hardoi, Uttar Pradesh.
(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 lakh per month to Rs 3 lakh 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 except the payment of interest on loan which he has given to the Company in compliance of the provisions of the Companies Act, 2013.

III. OTHER INFORMATION

(1)	Reason for loss or inadequate profits	<p>The company was engaged in the manufacture of Vanaspati & Refined oils at its unit at Sikandrabad, U.P. It incurred losses due to-</p> <p>(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.</p> <p>(2) Gradual erosion in working capital due to continued losses</p>
(2)	Steps taken or proposed to be taken for improvement	<p>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 FY 2016-17. The operations are now proposed to be scaled up after carrying out some essential modifications, additions and technological up gradations in the existing plant and equipment.</p> <p>Apart from this as a part of the rehabilitation scheme the company is setting 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.</p>

		<p>The Bottling unit for IMFL has been set up and has commenced production in July 2020.</p> <p>Approval for the Distillery Unit have been obtained and the construction would commence in near future.</p> <p>The setting up of the new unit would help in the revival of the company.</p>
(3)	Expected increase in productivity and profits in measurable terms.	At present it is difficult to estimate the risk.

The Company effective capital comes in the category of “negative but less than Rs. 5 crores”, therefore in terms of section II of part II of Schedule V, the Company can pay annual remuneration not exceeding Rs.60 lakh with approval of shareholders by way of Ordinary Resolution.

A brief profile of Mr. Sunil Goel, including nature of his expertise, is provided as an additional information required to be furnished pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on general meetings, forming part of the Notice calling AGM as **Annexure-A**.

Except Mr. Sunil Goel, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice calling AGM.

The Board recommends the proposed Resolution set out in Item No. 4 for the approval of members of the Company as an Ordinary Resolution.

Necessary documents in this regard are available for inspection by the Members in electronic mode under Investor Relations link of Company’s Website www.shrigangindustries.com.

Item No. 5

The Board of Directors of the Company in their meeting held on September 02, 2020 had recommended to mortgage and/or charge, any of its undertakings, wherever situated both present and future or to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company in addition to the existing charges/mortgages/hypothecation/pledge created/ to be created by the Company on the whole or substantially the whole of the Company’s one or more undertakings or all of the undertakings in favor of NBFCs/ Banks/ Central or State Government Departments/ Central or State Government undertakings/ State and other Financial Institutions or other bodies corporate, together with interest, cost, charges and expenses thereon, for an amount not exceeding **Rs. 150 Crore (Rupees One Fifty Crore Only)** to secure loans borrowed or to be borrowed or to secure dues towards any State or Central Government Department.

Pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, it is necessary to take approval of members by way of Special Resolution for enabling the Board to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings by way of charge/mortgage/hypothecation/pledge. Accordingly, your

Directors recommend the resolution set out in item no. 5 for your approval by way of Special Resolution.

None of the Directors, Manager, Key Managerial Personnel and their relatives is interested as mentioned above or concerned, financially or otherwise in the resolution.

Necessary documents in this regard are available for inspection by the Members in electronic mode under Investor Relations link of Company's Website www.shrigangindustries.com.

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

Date: 02.09.2020

Place: New Delhi

**Sd/-
Kanishka Jain
(Company Secretary)
Membership No. 54347**

Registered Office:

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

Corporate office:

F-32/3, Second Floor, Okhla Industrial Area,
Phase –II, New Delhi-110020

“Annexure A”

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)

S. No.	Particulars	Name of Director	Name of Director
		Mr. Sunil Goel (DIN: 01229459)	Ms. Seema Sharma (DIN: 08728701)
1.	Designation	Whole Time Director	Independent Non-Executive Director
2.	Date of Birth	29.10.1954	21.01.1984
3.	Age	66 Years	36 Years
4.	Date of first Appointment on the Board	14.02.2019	31.03.2020
5.	Qualifications	Master's in Business Administration	➤ Company Secretary ➤ Masters in Commerce
6.	Experience in specific functional area	He has more than 30 years' experience in the field of trading and manufacturing of various diverse products.	She has an experience of more than 5 years in the field of Secretarial, Legal, Management and administration and other related matters.
7.	No. of equity shares held in the Company (as on 31st March, 2020)	NIL	NIL
8.	List of other Directorships as on 31 March 2020	• Sahil Exim Private Limited	NIL
9.	Membership/Chairmanship of Committees of the other Companies as on 31 March 2020	NIL	NIL
10.	Relationships, between Directors inter se	No	No
11.	Number of Board Meetings attended during the year	Five	NIL*
12.	Terms & Conditions for appointment/re-appointment	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company	Terms & Conditions of appointment or re-appointment are as per the Nomination and Remuneration Policy of the Company
13.	Details of Remuneration Last Drawn	He has not drawn any remuneration in financial year 2019-2020 since as per his terms of appointment	She has not drawn any remuneration in financial year 2019-2020.

		remuneration will be paid from the day of commercial production in the Distillery unit of the Company situated at Sandila, Hardoi.	
14.	Details of Remuneration Sought to be paid	Remuneration is decided by Board of Directors on the recommendation of Nomination and Remuneration Committee which is as per the Nomination and Remuneration Policy of the Company.	No remuneration is sought to be paid.

***Ms. Seema Sharma was appointed as Director w.e.f. 31.03.2020, after her appointment, no BM was held in the Financial Year ended March 31, 2020.**

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

**Date: 02.09.2020
Place: New Delhi**

**Sd/-
Kanishka Jain
(Company Secretary)
Membership No. 54347**

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

Corporate office:
F-32/3, Second Floor, Okhla Industrial Area,
Phase -II, New Delhi-110020

DIRECTORS' REPORT

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

Your Directors are delighted to present the Thirty First Annual Report on Company's Business Operations along with the Audited Statement of Accounts for the year ended on March 31, 2020.

FINANCIAL PERFORMANCE OF THE COMPANY

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

(Rs. In Lakh)

Particulars	2019-2020	2018-2019
Income from Operations	0.59	439.65
Other Incomes	27.44	65.12
Total Revenue	28.03	504.77
Profit/(Loss) before Depreciation, Exceptional & Extra-Ordinary Items	(339.79)	(214.40)
Depreciation	(21.55)	(21.49)
<u>Exceptional Items</u>		
- Prior Period Expenses	-	(19.12)
- Old & unusable materials written off	-	-
- Impairment of Capitalised property, plant & equipment	-	-
- Capital WIP Written off	-	-
- Provision for Trade receivables considered doubtful	-	-
Net Profit (Loss) after depreciation before tax	(361.35)	(255.01)
<u>Provision for Taxation</u>		
Income Tax	-	-
Net Profit/(Loss) after tax for the year	(361.35)	(255.01)

The Financial Statements have been prepared on accrual basis in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and the provisions of the Companies Act, 2013.

The Financial Statements are presented in Indian Rupees ("INR" or ₹) and all amounts are rounded to the nearest Lakhs, except as stated otherwise.

SHARE CAPITAL

During the year under review, the Authorised Share Capital of the Company stood at Rs. 8,50,00,000/- (Rupees Eight Crore Fifty Lakh) divided into 85,00,000 Equity Shares of Rs. 10/- each.

The Paid up Share Capital of the Company stood at Rs. 7,93,00,000/- (Rupees Seven Crore Ninety Three Lakh) as on March 31, 2020.

There has been no change in the Authorised, Issued, Subscribed and Paid-up Share Capital of the Company during the year. The Company has no other type of securities except Equity Shares forming part of the Paid-up Share Capital of the company.

PERFORMANCE OF BUSINESS

During the year ended, the Company has incurred loss of Rs. 361.35 lakh as compared to the loss of Rs. 255.01 lakh in previous financial year.

During the year under review, the company did not carry out any production activity at its manufacturing unit at Sikandrabad, U.P. as a result the revenue from operations of the company, deceased from Rs. 439.65 Lakh in FY 2018-2019 to Rs. 0.59 Lakh in FY 2019-2020.

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

In FY 2016-17, the Hon'ble BIFR and Government of Uttar Pradesh had sanctioned a rehabilitation scheme for the revival of the company. As per the scheme, the company has to pay the past dues of Commercial Tax Department, PICUP and Paschimanchal Vidyut Vitran Nigam Ltd (PVVNL) over a period of 12 years.

Based on these developments the company had resumed its manufacturing operations in its Vanaspati unit on a limited scale. However, in FY 2019-20 no production was carried out in the unit as the plant requires technological up gradation and addition of new equipment so as to economize on the cost of production based on the prevailing industry standards. Otherwise company would have incurred more losses.

As a part of the rehabilitation scheme the company is setting up a grain based 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 company has received Environmental Clearance for the Distillery Unit from the State Level Environment Impact Assessment Authority, Uttar Pradesh. As regards, the Bottling Unit, the company has obtained Consent to Establish from the UP Pollution Control Board and the commercial production was expected to be commenced in the FY 2019-2020 in the Bottling Unit but due to the outbreak of COVID-19 pandemic, the same was delayed by about 3 months.

A detailed review of operations and performance and future outlook of the Company is given separately under the head '**Management Discussion & Analysis**' pursuant to Regulation 34 read with Part B of Schedule V of SEBI Listing Regulations, and the same is annexed and forms part of this Annual Report.

DIVIDEND

Based on the Company's performance in the Current Year, 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 during the year under review.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors comprise of eminent and experienced professionals in the Industry. The current composition of the Board of Directors (as on the date of Board's Report) are as follows:

Sr. No.	Name of Director	Designation
1.	Mr. Syed Azizur Rahman	Whole Time Director
2.	Mr. Sunil Goel	Whole Time Director
3.	Mrs. Anita Gupta	Non-Executive Director
4.	Mr. Yogesh Kumar	Non-Executive Independent Director
5.	Mrs. Seema Sharma	Non Executive Independent director

Changes in the composition of the Board of Directors

The following changes occurred during FY 2019-2020 till the date of this Report:

During the year under review, the Board of Directors, pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification (s) or re-enactment thereof for the time being in force), SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and on the recommendation of Nomination and Remuneration Committee, accorded its approval to the following:

- i. Re-appointment of Mr. Syed Azizur Rahman (DIN: 00242790) as Whole-time Director of the Company for a period of 2 (two) years w.e.f. May 09, 2019 and who was appointed by Shareholders in the Annual General Meeting of the Company held on September 24, 2019;
- ii. Re-appointment of Mr. Sunil Goel (DIN: 01229459) as Whole-time Director of the Company for a further period of 1 (one) year w.e.f. February 14, 2020, subject to approval of Members of the Company;
- iii. Appointment of Mrs. Seema Sharma (DIN: 08728701) as an Additional Director to hold office up to the date of ensuing AGM and as a Non-Executive Independent Director for a period of 5 (five) years, effective from March 31, 2020 on the Board subject to the approval of members of the Company. Considering her integrity, expertise and proficiency, the Board noted that her appointment would be of benefit to the company.

Appropriate resolutions seeking their reappointment/appointment are being placed for your approval in the ensuing Annual General Meeting.

Due to the ill health, Mr. Surendra Mohan Sikka, DIN: 07018508 relinquished the position of Independent Director of the company with effect from 4th August, 2019.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, executive directors and non-executive directors except the Independent Directors are subject to retire by rotation. Based on the terms of appointment and the Articles of Association of your Company, Mr. Sunil Goel (DIN: 01229459) who is the longest serving member in the current term and is liable to retire by rotation and he being eligible offers himself for reappointment. Appropriate resolution for his re-appointment is being placed for your approval at the ensuing Annual General Meeting.

None of the aforesaid Directors are disqualified under Section 164(2) of the Companies Act, 2013. Further, they are not debarred from holding the office of Director pursuant to order of SEBI or any other authority.

Key Managerial Personnel

In accordance with Section 203 of the Companies Act, 2013, the Company has following Key Managerial Personnel at the end of the financial year and as on date of the Board Report.:

Sr. No.	Name of KMP	Designation
1.	Mr. Syed Azizur Rahman	Whole Time Director
2.	Mr. Sunil Goel	Whole Time Director
3.	Mr. Anil Kumar Gupta	Chief Financial Officer
4.	Ms. Kanishka Jain	Company Secretary

INTERNAL AUDITOR

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with relevant applicable rules your company was required to appoint an Internal Auditor. Further the Board of Directors at its meeting held on May 30, 2019 has appointed M/s Mohan Gupta & Co., Chartered Accountants as Internal Auditor of the Company.

ANNUAL RETURN

In accordance with the provisions of section 134(3)(a) of Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return for the Financial Year 2019-20 will be available on the website and can be accessed through the link (<http://www.shrigangindustries.com>).

Extracts of the Annual Return referred in sub section (3) of section 92 in the prescribed format **MGT-9** forms part of this Directors' Report as "**Annexure- B**" and the same is also available on the website of the Company under the link (<http://www.shrigangindustries.com>).

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 under review.

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 financial year ended March 31, 2020, the applicable Accounting standards have been followed and that there are no material departures;

- ii. That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended March 31, 2020;
- iii. That 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. That accounts for the year ended March 31, 2020 have been prepared following the going concern basis;
- v. That 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; and
- vi. That 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. However, after the closure of the Financial Year, the Company has entered into an agreement with M/s United Spirits Ltd for leasing a portion of its plant capacity for the bottling of IMFL at its Bottling Plant set up at Sandila, Dist. Hardoi. After receipt of all the requisite Government approvals, the production in the Bottling Plant commenced on 17th July 2020.

AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and rules framed thereunder, the Company in its 28th Annual General Meeting held on September 28, 2017, had appointed **M/s. Satendra Rawat & Co. Chartered Accountants, (Firms registration no. 008298C)** as Statutory Auditors of the company to hold office for Five consecutive years from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company to be held in the year 2022, subject to ratification by members at every Annual General Meeting.

The requirement for the ratification of Auditor's appointment at the AGM has been done away with by the amended provisions of Section 139 of the Companies Act, 2013 which was notified on May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM the existing Auditor shall continue to act as Statutory Auditor of the Company and ratification of Auditors appointment every year at the Annual General Meeting is no longer required.

AUDIT REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

During the year under review, have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

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 the prescribed form MR-3 for the financial year ended on March 31, 2020 forms part of the Annual Report. The same is annexed as **Annexure “A”**.

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

Secretarial Auditor’s Remark-1

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 Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

Board’s Reply

The Company had made request to all the shareholders including Promoter and Promoter Group through notice of last Annual General Meeting asking to dematerialize their shares. Similar request to all shareholders including Promoter and Promoter Group is being made in the notice of ensuing Annual General Meeting which is being sent to all the shareholders. The promoter’s Shareholding upto the extent of 66.19 % has already been dematerialized. The Management has been following up with the rest of the Promoter and Promoter Group to get their shares dematerialized to make the Company compliant as per SEBI (LODR), Regulations, 2015.

Secretarial Auditor’s Remark-2

The company has not obtained the Fire NOC for its manufacturing unit located at Sikandrabad, U.P.

Board’s Reply

The Company is in the process of obtaining the Fire NOC.

Secretarial Auditor’s Remark-3

The Company has no requisite permissions from the State Pollution Control Board for its manufacturing unit located at Sikandrabad, Bulandshar, Uttar Pradesh as on date.

Board’s Reply

The Company is in the process of obtaining the necessary permission

Secretarial Auditor's Remark-4

As per Regulation 15 (2) of SEBI (LODR) Regulations, 2015, the compliances with the corporate governance provisions as specified in Reg. 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C, D, E of Schedule V for Corporate Governance do not apply to this Listed Entity as the Paid-up share capital of the Listed Entity is Rs.7,93,00,000/- (i.e. less than Rs. 10 Crore) and Net Worth is negative (i.e. less than Rs. 25 Crores) as on the last day of the previous financial year. During the audit, we observed that the company is voluntarily complying with the Corporate Governance provisions to the extent possible as a part of good corporate governance practice. *However, there was non-compliance of the following provisions during part of the year with respect to above mentioned regulations:*

- a. *Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, during the year under review, the composition of the Independent Directors in the company was not according to SEBI (LODR) Regulations, 2015.*

Board's Reply

The relevant regulations relating to Corporate Governance of the SEBI (LODR), Regulations 2015 are not applicable on the Company, however as a part of good Corporate Practice, the Company has re-constituted the Board of the Company in order to have the optimum combination of Directors and its Committee(s) to comply with the provisions of the SEBI (LODR) Regulations, 2015.

DISCLOSURE ABOUT MAINTAINANCE OF COST RECORDS

The Directors state that the company is required to maintain the cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in all material respects an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020. The Company has in place robust internal control procedures commensurate with its size and operations.

NUMBER OF BOARD MEETINGS AND ATTENDANCE BY EACH DIRECTOR

During the financial year 2019-2020, the Board of Directors' has met six (6) times on 09-May-2019, 30-May-2019, 13-Aug-2019, 14-Nov-2019, 12-Feb-2020 and 21-Mar-2020, The periodicity between two Board Meetings was within the maximum time gap as prescribed in the Listing Regulations / Companies Act, 2013. Directors' attendance at the Board Meetings during the financial year is provided herein under:

Directors Name	Designation	No. of Board Meetings	
		Held	Attended
Syed Azizur Rahman	Whole Time Director	6	6
Sunil Goel	Whole Time Director	6	5
Yogesh Kumar	Independent Director	6	6

Surendra Mohan Sikka*	Independent Director	2	2
Anita Gupta	Non-Executive Director	6	5
Seema Sharma**	Independent Director	**	**

*Mr. Surendra Mohan Sikka relinquished the office of Independent Director w.e.f. 04-Aug-2019. During this period i.e. April 01, 2019 to August 04, 2019, Two (2) meetings of Board of Directors were held

** Mrs. Seema Sharma was appointed w.e.f. March 31, 2020. After her appointment as Director no meeting of Board of Directors was held.

CORPORATE GOVERNANCE DISCLOSURE

As per the provisions of Regulation 15(2), the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year shall not be required to comply with the Corporate Governance provisions as specified in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V.

Hence the Company is not required to report on Corporate Governance in accordance with regulation 34(3) and schedule V(C) to the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and therefore the disclosure is not given in the Annual Report.

CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all Employees in the course of day to day business operations of the Company.

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated Employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with Stakeholders.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated Employees of the Company. The Code requires pre-clearance for dealing in the Company's Shares and prohibits the purchase or sale of Company Shares by the Directors and the designated Employees while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Board is responsible for implementation of the Code.

The Board Members have affirmed compliance with the Code of Conduct for the year ended March 31, 2020. The code of conduct is available on our website (<http://www.shrigangindustries.com/investor-relations.html>).

PREVENTION OF SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013" the Company has in place a formal policy for prevention of sexual harassment at work place and the Company has also Constituted the Internal Complaint Committee in compliance with the requirement of the Act.

The policy is available on our website (<http://www.shrigangindustries.com/policy.html>).

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 form 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 and qualify to act as Independent Director of the Company confirming that:

- ✚ They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedules and Rules issued thereunder, as well as of Regulation 16 of the Listing Regulations.
- ✚ In terms of Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have registered themselves with the Independent Director's database maintained by the Indian Institute of Corporate Affairs, Manesar.
- ✚ In terms of Regulation 25(8) of the Listing Regulations, they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties.

In terms of Regulation 25(9) of the Listing Regulations, the Board of Directors has ensured the veracity of the disclosures made under Regulation 25(8) of the Listing Regulations by the Independent Directors of the Company.

COMMITTEES

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.

AUDIT COMMITTEE COMPOSITION

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2020, the Audit Committee of the Company comprises of following 3 (Three) Members and two third of the members of the Audit Committee are Independent Directors:

Sr. No.	Name	Designation
1.	Yogesh Kumar, Independent Director	Member
2.	Syed Azizur Rahman, Whole Time Director	Member
3.	Seema Sharma, Independent Director	Member

Further, as per section 177(8) of the Companies Act, 2013 there was not any case during the period under review that any recommendation is made by the Audit Committee and the Board has not accepted it.

NOMINATION & REMUNERATION POLICY

The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board and separate its functions of governance and management. The Company has framed a Nomination and Remuneration Policy pursuant to the provisions of Section 178 of the Companies Act, 2013 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 as covered under Section 188 (1) of the Companies Act, 2013 during the Financial Year and in accordance with 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 neither accepted nor renewed any deposits from public falling within the ambit of Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of the provisions of Regulation 34 read with Part B of Schedule V 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 C" and covers, amongst other matters, the performance of the Company during the Financial Year 2019-2020 as well as the future outlook.

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

Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and

foreign exchange earnings and outgo are given in **Annexure “D”** forming part of this Annual Report.

RISK MANAGEMENT

A key factor in determining a company's capacity to create sustainable value is the risks that the company is willing to take at strategic and operational levels and its ability to manage them effectively. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed.

The company has in place risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor non-business risks. The Company through Board and Audit Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. Risk Management forms an integral part of the Company's planning process.

PERFORMANCE EVALUATION

The Companies Act, 2013 read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the Board needs to undertake a formal Annual Evaluation of its own performance and that of its Committees and individual Directors. The Schedule IV of the Companies Act, 2013 read with the Rules issued there understates that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Board has carried out the annual evaluation of its own performance, performance of the Directors individually as well as the performance of the working of its Audit, Nomination & Remuneration and other Committees of the Board. The evaluation was carried out taking into consideration various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, execution and performance of specific duties, obligations and governance, etc.

The Directors expressed their satisfaction with the evaluation process.

THE CHANGE IN THE NATURE OF BUSINESS, IF ANY

As stated above, the Company is setting 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 and the production has commenced in the Bottling unit in the month of July 2020.

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 and Company's operations in future. However, the Company has received In-principle approval from BSE Limited for Revocation of Suspension in trading of equity shares of the Company vide its letter no. LIST/COMP/SK/878/2018-19 dated October 16, 2018 which is valid for one year i.e. upto October 15, 2019 subject to submission of certain

documents and fees in a time span of one year from the date of letter. The Company has submitted the requisite fee and most of the documents as required for revocation of suspension in trading of Equity shares of the Company and is in the process of submitting the remaining documents.

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

In accordance with the Section 177(9) & (10) of the Companies Act, 2013 and rules framed there under read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Board has established 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 provides 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.

DEPOSITORY SYSTEMS

Your Company has established connectivity with both depositories – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, members holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

Your Company has appointed M/s. BEETAL Financial & Services Private Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent across physical and electronic alternative.

LISTING OF SHARES

The Company's shares are listed on the below mentioned Stock Exchange: -

BSE Limited (BSE)

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400 001

BORROWINGS FROM DIRECTORS

Pursuant to Rule 2(1)(c) of Companies (Acceptance of Deposits) Rules, 2014, it is stated that the Company has taken loan of Rs. 300,00,000/- /- from Directors in compliance of the Act.

UPDATE ON REVOCATION STATUS OF COMPANY

The Company has received In-principle approval from BSE Limited for Revocation of Suspension in trading of equity shares of the Company vide its letter no.

LIST/COMP/SK/878/2018-19 dated October 16, 2018 subject to submission of certain documents and fees in a time span of one year from the date of letter. The Company has submitted the requisite fee and most of the documents as required for revocation of suspension in trading of Equity shares of the Company and is in the process of submitting the remaining documents.

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: -

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:

Sr. No.	Name of Director	Ratio to median remuneration	% increase in remuneration in the financial year
1.	Executive Directors		
a.	Mr. Syed Azizur Rahman	2.67:1	--
b.	Mr. Sunil Goel ¹	--	--
2.	Non-Executive Directors		
a.	Mr. Yogesh Kumar	--	--
b.	Mr. Surendra Mohan Sikka ²	--	--
c.	Mrs. Anita Gupta	--	--
d.	Mrs. Seema Sharma ³	--	--
3.	Chief Financial Officer		
	Mr. Anil Kumar Gupta	Nil	10.06 %
4.	Company Secretary		
a.	Kanishka Jain	--	19.14 %

¹ No salary was being paid to Mr. Sunil Goel since as per his terms of appointment, salary will be payable to him once there will be commercial production in the IMFL unit of the company..

² Relinquished the position of Independent Director w.e.f. 04-Aug-2019.

³ Appointed as Independent Director on the Board w.e.f. March 31, 2020.

- ii. The percentage increase in remuneration in the median remuneration of employee in the financial year: **85.05%**
- iii. The number of permanent employees on the rolls of the Company at the end of the Financial Year: **11.**
- iv. Average Percentile Increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration: **333.53%**

Percentage increase in the managerial remuneration for the year: **NIL**

- v. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms remuneration is as per the remuneration policy of the Company.

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.

DISCLOSURE UNDER SECRETARIAL STANDARD

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

ACKNOWLEDGEMENT

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to your company by the government as well as Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. Your Directors gives their sincere gratitude to the customers, clients, vendors and other business associates for their continued support to the Company.

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**

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

**Sd/-
Sunil Goel
Whole Time Director
DIN: 01229459
Add: 81-A/41, Punjabi Bagh,
Delhi- 110026**

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

**Date: 02.09.2020
Place: New Delhi**

Annexure-A

Form No. MR-3

SECRETARIAL AUDIT REPORT***FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020******[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, 2020 (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, 2019 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;
- 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, 2018 (**Not applicable to the Company during the Audit Period**);
 - d) The 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 as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period**);
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (**Not applicable to the Company during the Audit Period**)
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (**Not applicable to the Company during the Audit Period**)

However during the audit period covering the financial year ended on March 31, 2020 no manufacturing activity was carried out at the manufacturing unit located at Sikandrabad, U.P.. As per the management the plant requires technological up gradation and addition of new equipment so as to economize on the cost of production based on the prevailing industry standards. Otherwise company would have incurred more losses.

VI. OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended till date and the Listing Agreement entered into by the Company with BSE Limited.

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 the following:

1. 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 Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
2. *The company has not obtained the Fire NOC for its manufacturing unit located at Sikandrabad, U.P.*
3. *The Company has no requisite permissions from the State Pollution Control Board for its manufacturing unit located at Sikandrabad, Bulandshar, Uttar Pradesh as on date.*
4. As per Regulation 15 (2) of SEBI (LODR) Regulations, 2015, the compliances with the corporate governance provisions as specified in Reg. 17 to 27 and Clause (b) to (i) of Regulation 46(2) and Para C, D, E of Schedule V for Corporate Governance do not apply to this Listed Entity as the Paid-up share capital of the Listed Entity is Rs.7,93,00,000/- (i.e. less than Rs. 10 Crore) and Net Worth is negative (i.e. less than Rs. 25 Crores) as on the last day of the previous financial year. During the audit, we observed that the company is voluntarily complying with the Corporate Governance provisions to the extent possible as a part of good corporate governance practice. *However, there was non-compliance of the following provisions during part of the year with respect to above mentioned regulations:*
 - a) *Pursuant to Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, during the year under review, the composition of the Independent Directors in the company was not according to SEBI (LODR) Regulations, 2015.*

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

1. The Board of Directors of the Company is 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 *except as mentioned above.*
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 except for meetings scheduled at shorter notice 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 in compliance of the Act.
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.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by Mr. Syed Azizur Rahman, Whole Time Director, Mr. Anil Kumar Gupta, CFO and Ms. Kanishka Jain, Company Secretary of the Company and taken on record by the Board of Directors at their meeting (s), we further report that;

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

1. During the year under review, the company has received the requisites licenses for setting up of Distillery and Bottling Plant for IMFL at Plot No. B-2/6 & 2/7, UPSIDC Industrial Area, Sandila, Phase IV, Hardoi, Uttar Pradesh.
2. The Company had received In-principle approval for Revocation of Suspension in trading of equity shares of the company vide its letter no. LIST/COMP/SK/878/2018-19 dated October 16, 2018 which is valid for One Year i.e. upto October 15, 2019 subject to submission of certain documents and revocation fees. The Company has paid the revocation fees and submitted most of the documents except few and is in the process of submitting the remaining documents.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

Date: 02.09.2020

Place: New Delhi

**Sd/-
(MONIKA KOHLI)
B.Com(H), FCS, LL.B., IP
Prop.
FCS 5480
COP No. 4936
UDIN: F005480B000650003**

Annexure 1

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, 2020 of even date is to be read 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 to our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. As per the information provided by the company, there are certain cases filed by or against the company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the company.
8. Due to the outbreak of Covid-19, we had verified the physical documents to the extent possible and rest of the documents / information were made available by the Company electronically.

**FOR MONIKA KOHLI & ASSOCIATES
COMPANY SECRETARIES**

Date: 02.09.2020

Place: New Delhi

**Sd/-
(MONIKA KOHLI)
B.Com (H), FCS, LL.B., IP
Prop.
FCS 5480
COP No. 4936
UDIN: F005480B000650003**

“Annexure- B”

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

As on financial year ended on 31.03.2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L01112UP1989PLC011004
2.	Registration Date	02/08/1989
3.	Name of the Company	Shri Gang Industries and Allied Products Limited
4.	Category/Sub-category of the Company	Company Limited By Shares. Indian Non-Government Company.
5.	Address of the Registered office Contact details	A-26 UPSIDC Industrial Area, Sikandrabad, Bulandshahar, Uttar Pradesh-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 Products- Edible oils	46305	--
2.	Sale of packaging material	46909	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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/HUF	1709645	778360	2488005	31.37	1709655	778350	2488005	31.37	NIL
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	95000	95000	1.20	NIL	95000	95000	1.20	NIL
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):-	1709645	873360	2583005	32.57	1709655	873350	2583005	32.57	NIL
A. Promoter's									
(1) Indian									
a) Individual/HUF	1709645	778360	2488005	31.37	1709655	778350	2488005	31.37	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRIs – Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Other-Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Any other.....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub- total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Shareholding of Promoter A = (A)(1)+(A)(2)	1709645	873360	2583005	32.57	1709645	873360	2583005	32.57	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	50000	50000	0.63	NIL	50000	50000	0.63	NIL
b) Banks / FI	66500	53100	119600	1.51	66500	53100	119600	1.51	NIL
c) Central Govt.	NIL	9900	9900	0.12	NIL	9700	9700	0.12	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) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Funds									
i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	66500	113000	179500	2.26	66500	112800	179300	2.26	NIL
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1600	2274000	2275600	28.71	1191600	1084000	2275600	28.71	(NIL)
ii) Overseas	NIL	5000	5000	0.06	NIL	5000	5000	0.06	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	21600	2446610	2468210	31.12	40200	2428210	2468410	31.12	NIL
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	NIL	417385	417385	5.26	NIL	417385	417385	5.26	NIL
c)Others NRI	NIL	1300	1300	0.02	NIL	1300	1300	0.02	NIL
Sub-total (B)(2):-	23200	5144295	5167495	65.17	1231800	3935895	5167695	65.17	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	89700	5257295	5346995	67.43	1298300	4048695	5346995	67.43	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	1799345	6130655	7930000	100.00	3007945	4922055	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	723065	9.12	NIL	723065	9.12	NIL	NIL

2	Anita Gupta	586780	7.40	NIL	586780	7.40	NIL	NIL
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	Gurucharan Dass 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
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	Ramesh Gupta	NIL	NIL	NIL	NIL	NIL	NIL	NIL
16	Janeshwar Kumar Jain	NIL	NIL	NIL	NIL	NIL	NIL	NIL
17	Rakesh Dutta	NIL	NIL	NIL	NIL	NIL	NIL	NIL
18	Almondz Global Securities Limited (Formerly Allianz Securities Limited)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

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

Sr. No.	Name of Shareholder	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	1190000	15.01	1190000	15.01
	Date wise Increase / Decrease in Shareholding during the year :	-	-	-	-
	At the end of the year	1190000	15.01	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	315000	3.97	315000	3.97
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	315000	3.97	315000	3.97
4.	Rachna Agrawal				
	At the beginning of the year	302285	3.81	302285	3.81
	Date wise Increase / Decrease in Shareholding during the year:				
	At the end of the year	302285	3.81	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 Undertaking of the Unit Trust of India-Unit Scheme 1964				
	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	56000	0.71	56000	0.71
	Date wise Increase / Decrease in Shareholding during the year:	-	-	-	-
	At the end of the year	56000	0.71	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.	Syed Azizur Rahman				
	At the beginning of the year	100	0.001	100	0.001
	Date wise Increase / Decrease in Shareholding during the year:	--	--	--	--
	At the end of the year	100	0.001	100	0.001
2.	Yogesh Kumar				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--
3.	Anita Gupta				
	At the beginning of the year	586780	7.40	586780	7.40
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	586780	7.40	586780	7.40
4.	Sunil Goel				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--
5.	Surendra Mohan Sikka*				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--
6.	Seema Sharma**				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in				

	Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--
7.	Anil Kumar Gupta- Chief Financial Officer (CFO)				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--
8.	Kanishka Jain- Company Secretary (CS)				
	At the beginning of the year	--	--	--	--
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer /bonus/ sweat equity etc)	--	--	--	--
	At the end of the year	--	--	--	--

* Mr. Surendra Mohan Sikka relinquished the office of Independent Director w.e.f. 04-Aug-2020. Therefore her shareholding is shown till that date only.

** Mrs. Seema Sharma has been appointed as Additional Non-Executive Independent Director on the Board w.e.f. March 31, 2020 hence shareholding details have been disclosed w.e.f. March 31, 2020.

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	401.40	5422.21	--	5,823.61
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	481.03	--	481.03
Total (i+ii+iii)	401.40	5,903.24	--	6,304.64
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	1,142.18	--	1,142.18
* Reduction	44.60	56.00	--	100.6
Net Change	(44.60)	1,086.18	--	1,041.58
Indebtedness at the end of the financial year				
i) Principal Amount	356.80	6,052.65	--	6,409.45
ii) Interest due but not paid	--	--	--	--

iii) Interest accrued but not due	--	936.77	--	936.77
Total (i+ii+iii)	356.80	6,989.42	--	7,346.22

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

S. No	Particulars of remuneration	Name of MD/ WTD/Manager Mr. Syed Azizur Rahman Whole Time Director
1.	Gross Salary	
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	18,00,000
	(b) Value of perquisites u/s 17(2) Income –Tax Act, 1961	-
	(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	18,00,000

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		
		CS Ms. Kanishka Jain	CFO Mr. Anil Kumar Gupta	Total
1.	Gross Salary			
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	3,34,550	2,78,900	6,13,450
	(b) Value of perquisites u/s 17(2) Income –Tax Act, 1961	-	-	-
	(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	3,34,550	2,78,900	6,13,450

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 for the year ending March 31, 2020.

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

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

**Sd/-
Sunil Goel
Whole Time Director
DIN: 01229459
Add: 81-A/41, Punjabi Bagh,
Delhi- 110026**

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

**Date: 02.09.2020
Place: New Delhi**

“ANNEXURE-C”

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OVERVIEW

FY 2019-2020 was a year of synchronized slowdown in both the advanced as well as developing economies across the world. The escalation of the tariff war between the US and China for major part of the year led to significant pressure on global trade. The US economy grew at a relatively strong rate of 2.3%. The Chinese growth engine too slowed down with exports under pressure. However, due to its Government supported infrastructure investment drive, the economy recorded a moderate growth rate and stood at 6.1%. At the same time, the Eurozone continued to witness staggered growth with pressures from the Brexit uncertainty as well as political uncertainty in some of its member states. The trade truce or partial deal between the US and China in the second half of the year brought along expectations of a revival in global trade and overall economic growth.

However, the rapid spread of the COVID-19 pandemic across the world and the ensuing lockdown in several countries brought unprecedented testing times for the entire global economy as the financial year ended.

INDIAN ECONOMY

The Indian economy continued with its slow growth trend, with quarterly growth rates trending downwards through the year. The decline was led by a slowdown in the key construction sector, a restricted real estate space and persistent downturn in the automotive sector. The fourth quarter witnessed a growth rate of 3% - the lowest in almost a decade. It aptly highlighted the concern of deceleration in the domestic economy even before the impact of COVID-19 shock. The reasons for this consistent downward growth trajectory are multi-fold. The large-scale defaults and governance issues in few large non-banking financial Institutions resulted in liquidity squeeze in the corporate debt markets. This not only hurt some of the larger corporates, but also severely impacted the mid and small-size companies as the lending channels practically froze. At the same time, the vagaries of the monsoon – extended monsoon in some regions and deficit rainfall in others – also adversely impacted the rural sector. The easy monetary policy regime implemented by the Reserve Bank of India as well as measures taken by the Central Government like sharp reduction in corporate tax rates have not helped the economy get back to its growth trajectory.

On a relative basis, the Indian currency was stable for most part of the year. It faced significant downward pressure in the last quarter on bouts of increased volatility across global financial markets with the rising uncertainty around COVID-19.

INDUSTRY STRUCTURE AND DEVELOPMENTS

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, 2020 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. Hon’ble BIFR and

Government of Uttar Pradesh had sanctioned a rehabilitation scheme for the revival of the company. As per the scheme, the company has to pay only the principal past dues of Commercial Tax Department, PICUP and Paschimanchal Vidyut Vitran Nigam Ltd (PVVNL) over a period of 12 years.

Based on these developments the company resumed its manufacturing operations in its Vanaspati unit on a limited scale. However in the current year no production was carried out in the unit as the plant requires technological up gradation and addition of new equipment so as to economize on the cost of production based on the prevailing industry standards. Otherwise company would have incurred more losses..

As a part of the rehabilitation scheme the company is setting up a grain based 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 company has received Environmental Clearance for the Distillery Unit from the State Level Environment Impact Assessment Authority, Uttar Pradesh. As regards, the Bottling Unit, the company has obtained Consent to Establish from the UP Pollution Control Board and the commercial production was expected to be commenced in the FY 2019-2020 in the Bottling Unit but due to the outbreak of COVID-19 pandemic, the same was delayed by about 3 months.

The setting up of the new unit would help in the revival of the company.

OPPORTUNITIES AND THREATS

The risks and opportunities of all corporations are inherent and inseparable elements. Directors and management of the Company take constructive decisions to protect the interests of stakeholders.

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

Particulars	FY 2019-2020 (Amount in Rs.)	FY 2018-2019 (Amount in Rs.)
Revenue from operation/ segment performance	2,802,914	50,477,750
Total Expenditure	38,937,553	74,067,295
Earnings before interest, tax, depreciation and amortization [EBITDA]	(9,544,487)	38,024,069
Profit after Tax [PAT]	(36,134,639)	(25,501,637)

OUTLOOK

The company in near future would technologically upgrade its manufacturing unit for Vanaspati and Refined Oils so that it can compete with its peers in the market. Apart from this, company is setting up a Distillery and Bottling Unit for IMFL & Country Liquor at Sandila, Dist. Hardoi and the production in the bottling unit of the company has commenced in the month of July 2020. All this would aid the revival of the company.

RISKS AND CONCERNS

Every business has inherent element of uncertainties owing to uncertain factors and managing risk is very critical for success of the enterprise. The Company has defined risk management policy at the Board level, based on the pre-identified types of risks, the risk events or factors that require regular assessment.

The company does not foresee any major risks except for the change in Government Policy with respect to alcohol production and consumption in India.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company recognizes that people are the prime assets of the organization. Your Company's talent pool plays a key role in commitment to deliver quality products and services. The Company continues to focus on attracting and retaining right talent with right opportunities to employees.

Industrial relations during the year has been cordial and contributed to mutual development. Company maintained healthy, cordial and harmonious industrial relations at all levels. The Board of Directors and management wish to place on record their appreciation of the efforts put in by all employees to achieve good performance.

There was not any case pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was reported during the year.

CASH FLOW ANALYSIS

The Cash Flow Statement of the Company for the year under review, in terms of Regulation 34(2) of the (Listing Obligations and Disclosures Requirements) Regulations, 2015 is annexed to the Annual Accounts of the company which forms part of the Annual Report.

FINANCE COST

The financial charges for the financial year ended on March 31, 2020 were Rs. 244.35 lakh. This is mainly on account of interest payable on the unsecured loan taken by the company.

OTHER EQUITY (RESERVES AND SURPLUS)

As on March 31, 2020 the Reserves and Surplus in the Balance Sheet were negative at Rs.7,748.39 Lakh as compared to the negative balance of Rs. 7,387.04 Lakh during the Financial Year 2018-19.

EARNING PER SHARE

Earnings per share of the company is negative at (4.56) as against the Earning Per Share of (3.22) of last year.

INTERNAL CONTROLS

The Company has well-equipped and effective internal control systems in place that match the scale of its sector and the complexity of the market it works in. Such stringent and detailed controls ensure the effective and productive use of resources, to the degree that the Company's

assets and interests are safeguarded, transactions are approved, registered and properly reported, and checks and balances guarantee reliability and consistency of accounting data.

The Audit Committee and the Board reviews the performance of the audit and the adequacy of internal control systems and compliance with regulatory guidelines. The Management takes corrective actions on basis recommendations received from internal auditor and the audit committee.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis, describing the Company's growth prospects, are forward-looking statements. The actual results may vary, depending upon economic conditions, raw-material prices, government policies, regulations, tax laws and other incidental factors.

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

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

**Sd/-
Sunil Goel
Whole Time Director
DIN: 01229459
Add: 81-A/41, Punjabi Bagh,
Delhi- 110026**

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

**Date: 02.09.2020
Place: New Delhi**

“ANNEXURE D”

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 is in the process of gradually scaling up its manufacturing operations. It would accordingly 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 31st March, 2020	Year Ended 31st March, 2019
Earnings	NIL	NIL
Outgo		
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**

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

**Sd/-
Sunil Goel
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**Registered office:
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Sikandrabad, Bulandshahar, Uttar Pradesh-203205**

**Date: 02.09.2020
Place: New Delhi**

INDEPENDENT AUDITOR'S REPORT

**TO,
THE MEMBERS OF SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LTD**

I. Report on the Audit of the Financial Statements**1. Opinion**

- A. We have audited the accompanying Standalone Financial Statements of **SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LTD** (“the Company”), which comprise the Balance Sheet as at **March 31, 2020**, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Financial Statements”).
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (accounting standards) Rules, 2006, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There are no specific matters to be communicated in our report.

4. Information Other than the Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Management's Responsibility for the Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, which have been used for the purpose of preparation of standalone financial statements by the Board of Directors of the Company, as aforesaid.
- B. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

6. Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern

v) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

II. 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 purposes of our audit.
 - B. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - C. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - D. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - E. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - 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, as amended 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 on its financial position in its Financial Statements, if any.

ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There is no amount required to be transferred to the Investor Education and Protection Fund by the Company.

For Satendra Rawat & Company
Chartered Accountants
Firm Registration No.: 008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126
UDIN: 20074126AAAADZ5115

Place: New Delhi
Date: 29.07.2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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) During the year the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified annually. In accordance with this programme, fixed assets were verified during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
c) As explained to us, the title deeds of immovable properties are held in the name of the company.
2. As explained to us, inventories have been physically verified at reasonable intervals by the management and in our opinion, the frequency of verification is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
3. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, paragraph 3(iii) (a) to(c) of the Order are not applicable to the Company.
4. According to information and explanations given to us the company has not given any loan to directors or any other person in whom the directors is interested, or given any guarantee or provided any security in connection with any loan taken by directors or such other person, as provided in sections 185 & 186 of the Companies Act, 2013, therefore other disclosure requirements are not applicable to the company for the year.
5. The Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under to the extent notified.
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

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 for the Deferred Trade Tax/ Vat amounting to Rs.23.11 Crores as explained in note no. 12 and 25 of these financial statements.

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
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 Government 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.
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. In our opinion and according to the information and explanations given to us, the Company has not paid/provided managerial remuneration in excess of the limits and approvals prescribed under Section 197 read with Schedule V to the Companies Act, 2013.
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 transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details of such transactions have been duly disclosed in the financial statements as required by the applicable accounting standards.
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 Satendra Rawat & Company
Chartered Accountants
Firm Registration No.: 008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126
UDIN: 20074126AAAADZ5115

Place: New Delhi
Date: 29.07.2020

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT**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, 2020 in conjunction with our audit of Standalone IndAS 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.

Auditors’ 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 applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the 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 procedures 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 the assessed risk. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 control 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures 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 Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements 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

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

For Satendra Rawat & Company
Chartered Accountants
Firm Registration No.: 008298C

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126
UDIN: 20074126AAAADZ5115

Place: New Delhi
Date: 29.07.2020

BALANCE SHEET AS AT 31ST MARCH 2020

Particulars		Note No.	As at 31st March 2020	As at 31st March 2019
ASSETS				
1.	Non-current assets			
a.	Property, plant and equipment	2	19,74,94,246	18,92,81,583
b.	Capital work-in-progress		17,99,75,917	10,50,24,687
c.	Financial assets			
i.	Trade Receivables		-	-
ii.	Other Financial Assets	3	1,48,81,610	1,30,20,921
D	Deferred tax assets (Net)		-	-
E	Other non-current assets	4	13,31,93,981	9,48,92,621
2.	Current assets			
a.	Inventories	5	19,68,743	13,98,380
b.	Financial assets			
i.	Investments		-	-
ii.	Trade Receivables		-	-
iii.	Cash and cash equivalents	6	12,00,250	5,41,841
c.	Current Tax Asset (Net)		-	-
d.	Other current assets	7	3,89,57,170	2,17,43,811
TOTAL ASSETS			56,76,71,917	42,59,03,844
EQUITY AND LIABILITIES				
Equity				
a.	Equity Share capital	8	7,93,00,000	7,93,00,000
b.	Other equity	9	(77,48,38,678)	(73,87,04,039)
Liabilities				
1.	Non-current liabilities			
a.	Financial liabilities			
i.	Borrowings	10	3,12,20,000	4,12,80,000
ii.	Other financial liabilities		-	-
b.	Provisions	11	2,69,270	1,25,569
c.	Deferred tax liabilities (Net)		-	-
d.	Other non-current liabilities	12	28,55,90,158	35,87,70,559
2.	Current liabilities			
a.	Financial liabilities			
i.	Borrowings	13	69,89,42,789	58,47,24,722
ii.	Trade and other payables	14	3,89,17,345	3,18,54,890
b.	Other current liabilities	15	20,82,71,034	6,85,52,143
c.	Current Tax Liabilities (Net)		-	-
TOTAL EQUITY & LIABILITIES			56,76,71,918	42,59,03,844

The accompanying notes form an integral part of these financial statements

1 to 41

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

Sd/-

(CA. Satendra Rawat)

Partner

Membership No.: 074126

For and on the Behalf of Board of Directors

Sd/-

Syed Azizur Rahman

(Whole Time Director)

DIN- 00242790

Sd/-

Sunil Goel

(Whole Time Director)

DIN-01229459

Place: Delhi

Date: 29.07.2020

Sd/-

Anil Kumar Gupta

Chief Financial Officer

Sd/-

Kanishka Jain

Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020

Particulars	Note no.	For the year ended on 31st March 2020	For the year ended on 31st March 2019
Continuing Operations			
Revenue from operations	16	59,340	4,39,64,886
Other income	17	27,43,574	65,12,864
Total revenue		28,02,914	5,04,77,750
Expenses			
Cost of materials consumed	18	-	3,67,90,199
Purchase of Stock in Trade		-	-
Changes in inventories of finished goods, work in progress and stock-in-trade	19	-	67,81,334
Employee benefit expense	20	20,11,491	60,58,981
Finance cost	21	2,44,34,713	1,58,93,040
Depreciation and amortisation expense	22	21,55,439	21,49,041
Other expense	23	1,03,35,910	63,94,700
Total expenses		3,89,37,553	7,40,67,295
Profit/ (loss) before exceptional items		(3,61,34,639)	(2,35,89,545)
Exceptional items			
Prior Period Expenses		-	19,12,092
Impairment of Capitalised property, plant and equipment		-	-
Capital WIP Written off		-	-
Provision for Trade receivables considered doubtful		-	-
Profit/ (loss) before tax		(3,61,34,639)	(2,55,01,637)
Tax expense			
a) Current Tax		-	-
b) Deferred tax		-	-
Total Tax Expense		-	-
Profit/ (loss) for the period		(3,61,34,639)	(2,55,01,637)
Other comprehensive income			
- Items that will not be reclassified to profit or loss		-	-
Remeasurement of defined benefit plans		-	-
- Income tax relating to items that will not be reclassified to profit or loss		-	-
Revaluation of Financial Instruments		-	-
- Items that will be reclassified to profit or loss		-	-
- Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive income (net of Tax)		-	-
Total comprehensive income for the period		(3,61,34,639)	(2,55,01,637)
Earnings per equity share (Basic & Diluted)	36		
a) Basic		(4.56)	(3.22)
b) Diluted		(4.56)	(3.22)

The accompanying notes form an integral part of these financial statements

1 to 41

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-

(CA. Satendra Rawat)

Partner

Membership No.: 074126

Sd/-

Syed Azizur Rahman

(Whole Time Director)

DIN- 00242790

Sd/-

Sunil Goel

(Whole Time Director)

DIN-01229459

Place: Delhi

Date: 29.07.2020

Sd/-

Anil Kumar Gupta

Chief Financial Officer

Sd/-

Kanishka Jain

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

Particulars		For the year ended on 31 st March 2020		For the year ended on 31 st March 2019	
A)	CASH FLOW FROM OPERATING ACTIVITIES		(3,61,34,639)		(2,55,01,637)
	Net Profit before Tax & Extraordinary items				
	Add: Non cash and Non operating items				
	Depreciation and amortization expenses	21,55,439		21,49,041	
	Finance Costs	2,44,34,713		1,58,93,040	
	Provision for Employee Benefits	1,43,701		(92,087)	
		2,67,33,853		1,79,49,994	
	Less: Non Operating items				
	Interest on Fixed Deposit	6,09,099	2,61,24,754	5,71,362	1,73,78,632
			(1,00,09,885)		(81,23,005)
Operating Profit before Working Capital changes					
Inventories	(5,70,363)		75,05,558		
Trade & Other Receivables	-		69,57,786		
Other Current Assets	(1,72,13,359)		(1,02,25,211)		
Trade Payable	70,62,454		(14,75,232)		
Other Current Liabilities	13,97,18,892	12,89,97,624	6,31,37,598	6,59,00,498	
Cash Generated from operations before extraordinary item and tax		11,89,87,739		5,77,77,493	
Less: Taxes Paid		-		-	
Less: Leave Encashment and Gratuity Paid				-	
Cash Flow before Extraordinary items		11,89,87,739		5,77,77,493	
B)	Net Cash Flow From Investing Activities.....(A)				
	CASH FLOW FROM INVESTING ACTIVITIES				
	Payments towards fixed assets/CWIP	(8,53,19,331)		(11,08,73,333)	
	Non Current Assets	(3,83,01,360)		(5,45,98,286)	
	Other Financial Assets	(18,60,689)		(5,14,225)	
C)	Net Cash used in Investing Activities.....(B)		(12,54,81,380)		(16,59,85,844)
	CASH FLOW FROM INVESTING ACTIVITIES				
	Movement in Short Term Borrowings	11,42,18,067		27,23,55,215	
	Movement in Long Term Borrowings	(1,00,60,000)		(2,14,75,000)	
	Movement in Deferred Payments/Security Deposits	(7,31,80,403)		(12,86,52,606)	
	Interest on Fixed deposits	6,09,099		5,71,362	
	Finance Costs	(2,44,34,713)		(1,58,93,040)	
D)	Net Cash received in financing Activities.....(C)		71,52,050		10,69,05,931
	NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)		6,58,409		(13,02,420)
	Cash & Cash Equivalents as at beginning of year		5,41,841		18,44,261
	Cash & Cash Equivalents as at end of year		12,00,250		5,41,841

The accompanying notes form an integral part of these financial statements

I. Figures in brackets represent deductions and outflows

- II. Cash & Cash Equivalents do not include Fixed Deposits pledged with Bank and accrued interest thereon as the same are not highly liquid and readily convertible into cash..
- III. The previous year's figures have been restated, wherever considered necessary.

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-

(CA. Satendra Rawat)

Partner

Membership No.: 074126

Sd/-

Syed Azizur Rahman

(Whole Time Director)

DIN- 00242790

Sd/-

Sunil Goel

(Whole Time Director)

DIN-01229459

Place: Delhi

Date: 29.07.2020

Sd/-

Anil Kumar Gupta

Chief Financial Officer

Sd/-

Kanishka Jain

Company Secretary Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED ON 31ST MARCH 2020

A. Equity share capital (Rs. INR)

Issued and Paid up Capital at 1 April 2019	7,93,00,000
Changes in equity share capital during the year	-
Balance at 31 March 2020	7,93,00,000

B. Other Equity (Rs. INR)

	Note No.	Reserve and Surplus			Total
		General Reserve	Capital Reserve	Retained Earnings	
Balance at 1st April 2019		2,20,00,000	81,000	(76,07,85,039)	(73,87,04,039)
Profit for the year		-	-	(3,61,34,639)	(3,61,34,639)
Other Comprehensive income for the year		-	-	-	-
Total Comprehensive income		-	-	(3,61,34,639)	(3,61,34,639)
Transfer / Addition during the year		-	-	-	-
Balances as at 31st March 2020		2,20,00,000	81,000	(79,69,19,678)	(77,48,38,678)

As per our report of even date attached

For Satendra Rawat & Co
Chartered Accountants
Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-
(CA. Satendra Rawat)
Partner
Membership No.: 074126

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

Sd/-
Sunil Goel
(Whole Time Director)
DIN-01229459

Place: Delhi
Date: 29.07.2020

Sd/-
Anil Kumar Gupta
Chief Financial Officer

Sd/-
Kanishka Jain
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2020**1. SIGNIFICANT ACCOUNTING POLICIES****I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The company has adopted Indian Accounting Standards (Ind AS) with effect from 1st April 2017, with transition date of 1st April 2016, pursuant to notification issued by Ministry of Corporate Affairs dated 16th February 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. Accordingly the financial statements comply with Ind AS prescribed under section 133 of the Companies Act, 2013 (the "Act"), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements upto and for the year ended on 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended), as notified under section 133 of the Act (Previous Indian GAAP) and other relevant provisions of the Act.

The financial statements for the year ended on 31st March 2018 are the first financial statements of the company prepared under Ind AS. However the transition to Ind AS has not affected the previously reported financial position, financial performance and cash flows of the company.

The financial statements are prepared on the historical cost convention, except for certain financial instruments which are measured at fair value.

The financial statements were authorised for issue by the Board of Directors of the company on 29.07.2020.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

II. CURRENT VERSUS NON CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realised in, or intended for sale or consumption in, the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within twelve months after the reporting period; or
- d) it is cash or cash equivalent unless it restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non current assets

Liabilities

A Liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within twelve months after the reporting period; or
- d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non current liabilities.

Deferred tax liabilities and assets are classified as non current liabilities and assets.

III. USE OF ESTIMATES

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of Revenue, Expenses, Assets and Liabilities and disclosure of contingent liabilities at the end of the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

IV. RECOGNITION OF INCOME AND EXPENDITURE

- 1) Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred in accordance with the generally accepted Accounting principles and Accounting Standards as applicable in India.
- 2) In case of sales & purchase, accrual is deemed to have taken place on actual delivery of goods.
- 3) In case of interest, income is recognized in relation to period to which it pertains.
- 4) iv) In case of uncertainties as to the risks & rewards, the conservative accounting policy is adopted by way of making suitable provisions for expenses and deferring the recognition of revenues

V. EXCISE DUTY

Excise Duty has been accounted on the basis of both payments made in respect of goods cleared and also provision made for goods lying in factory premises. Cenvat credit is accounted on accrual basis on purchase of materials.

VI. EMPLOYEES BENEFITS

- i. Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii. Gratuity is a defined benefit obligation. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.
- iii. Long term compensated balances in the form of leave encashment are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains/losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

VII. PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

The cost of an item of property, plant and equipment is recognized as an asset if, and only if:

1. it is probable that future economic benefits associated with the item will flow to the entity; and
2. the cost of the item can be measured reliably.

Property, Plant and Equipments ('PPE') are stated at cost of acquisition or construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management less accumulated depreciation and cumulative impairment losses & net of recoverable taxes (net of Cenvat and VAT credit wherever applicable).

Subsequent Costs

Subsequent expenditure related to an item of PPE is added to its carrying amount or recognized as a separate asset, if appropriate and carrying amount of replacement parts is derecognized at its carrying value.

Spare parts or stores meeting the definition of PPE, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate. However cost of day to day servicing are recognized in profit or loss as incurred. Cost of day to day service primarily include costs of labor, consumables and cost of small spare parts.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of Property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

Transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of Property, Plant & Equipment.

Depreciation / amortization

- i. Depreciation on items of PPE is provided on straight line method in accordance with the useful life as specified in Schedule II to the Companies Act, 2013.
- ii. 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/ discardment
- iii. No amounts are written off against Leasehold Land by way of amortization.
- iv. Assets residual values and useful lives are reviewed and adjusted, at the end of each reporting period.
- v. Assets residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are recorded at the consideration paid for acquisition and are amortized over their estimated useful lives on a straight-line basis, commencing from the date the asset is available to the company for its use. The estimated useful life of the intangible assets and the amortization period are reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern.

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is de-recognized.

For transition to Ind AS, company has elected to continue with the carrying value of all of its Intangible Assets recognized as at 1st April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of Intangible Assets.

Capital Work in Progress

The cost incurred on assets, which are not yet ready to use and capital inventory are disclosed under capital work-in-progress.

Expenditure incurred during the period of construction including all direct expenses (including finance cost) attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management is carried forward. On completion, the costs are allocable to the respective fixed assets. All costs attributable to respective assets are capitalized to the assets. Other expenses are capitalized to Plant and Machinery in proportion of the value of the assets

VIII. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Asset

Initial Recognition and measurement

A financial asset is recognised in the balance sheet when the Company becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset (which are not measured at fair value through profit or loss) at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified into:

1. Financial assets measured at amortised cost;
2. Financial assets measured at fair value through profit or loss (FVTPL); and
3. Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- A. The Company's business model for managing the financial assets, and
- B. The contractual cash flows characteristics of the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- B. The asset's contractual cash flows represents SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

IX. VALUATION OF INVENTORIES

<i>Particulars / Item Type</i>	<i>Method of Valuation</i>
1. Raw Material, Packing Material & Consumables (including in transit)	At Cost including direct procurement Overhead / Taxes.
2. Finished Goods (including in transit)	At cost or net realisable value, whichever is lower
3. Stock in process	At cost
4. By Products	At net realisable value
5. Loose Tools	At cost and charged off when discarded
6. Shares / Securities (Quoted)	At lower of cost or net realizable value

In the above, cost is arrived at by FIFO cost method. In case of Finished Goods and Stock in Process, it also includes manufacturing & related establishment overheads, depreciation etc.

All the spares, which are primarily meant to be used for capitalization (except consumables and maintenance stores), are considered as part of the plant & machinery and shown accordingly.

X. INVESTMENTS

Long-term investments are stated at cost price. Any diminution of permanent nature in the value of the long-term investments is suitably provided for by charging off to revenue. Current (Short-term and stock in trade) investments are stated at lower of cost or net realisable value.

In case of unquoted shares, the diminution in value of shares is arrived on the basis of break up value as per latest available audited balance sheet of the respective company.

XI. FOREIGN CURRENCY TRANSACTIONS

Functional and presentation currency

The management has determined the currency of the primary economic environment in which the company operates i.e., functional currency, to be Indian Rupee (INR). The financial statements are presented in Indian Rupee, which is company's functional and presentation currency.

Transactions and balances

Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction in the functional currency. Foreign currency monetary assets and Liabilities are translated at using the year-end exchange rate. Exchange gains and losses are duly recognised in the Statement of profit and loss.

All monetary assets and liabilities in foreign currency are restated at the end of the accounting period.

In case of forward contracts, the difference between the forward rate and the exchange rate on the date of the transaction is recognised as income or expense over the life of the contract.

XII. TAXATION

- i. Provision for current Income Tax is made on the basis of estimated taxable income after taking into consideration, estimates of benefits admissible under the provisions of Income Tax, 1961. The company provides for deferred tax liability (after netting off deferred tax assets), based on the tax effect of temporary difference resulting from the recognition of items in the financial statements.
- ii. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits, any unused tax losses and deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax assets (after, netting of deferred tax liabilities), are generally not recognized unless there exist strong circumstances for its adjustment/realization in near future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

- iii. Provision for Wealth Tax is made on the basis of estimated taxable wealth after taking into consideration, estimates of benefits admissible under the provisions of Wealth Tax Act, 1957.
- iv. Minimum Alternate Tax(MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

XIII. 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 indication exists, 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.

XIV. FINANCE LEASE

Assets taken on lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower.

Depreciation on assets taken on lease is charged at the rate applicable to similar type of Property, Plant and Equipment as per accounting policy of the company for depreciation as above. If the leased assets are returnable to lessor on the expiry of the period, depreciation is charged over its useful life or lease period whichever is shorter.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability in respect of assets taken on lease. Sub-lease payments received/ recoverable are recognized as other income.

XV. OPERATING LEASESWhere the Company is the Lessee:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is the Lessor:

Assets subject to operating leases are included in Property, Plant and Equipments. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

XVI. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events of bonus issue and share split.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

XVII. PROVISIONS

A Provision is recognized 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.

XVIII. CONTINGENT LIABILITIES

A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non occurrence of one or more uncertain future events, not fully within the control of the Company;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

XIX. SEGMENT REPORTING

The Company's business activity primarily falls within a single business and geographical segment. There are no disclosures required to be provided in terms of Ind AS 108 on 'Segment Reporting'.

XX. CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Non-cash transactions are excluded from the Cash Flow statement.

Note No. 2:
Property, Plant and Equipment –

(in Lakhs)

Particulars	GROSS BLOCK						ACCUMULATED DEPRECIATION					NET BLOCK		
	Balance as at 31.03.2019	Adjustments	Additions	Write off of Assets	Disposals	Balance as at 31.03.2020	Balance as at 31.03.2019	Adjustments	Charge for the year	Write off of Assets	Eliminated on disposal	Balance as at 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Leasehold Land	163,036,981	(7,475,978)	17,844,079			173,405,082	-					-	173,405,082	163,036,981
Buildings	44,067,224					44,067,224	32,403,124		1,061,536			33,464,660	10,602,564	11,664,100
Plant and Equipment	136,173,093					136,173,093	121,696,720		1,081,349			122,778,069	13,395,024	14,476,373
Furniture and Fixtures	3,995,674					3,995,674	3,992,731					3,992,731	2,943	2,943
Vehicles	1,769,408					1,769,408	1,765,594					1,765,594	3,814	3,814
Other Equipments & Appliances	8,486,588					8,486,588	8,389,216		12,554			8,401,769	84,819	97,372
TOTAL	357,528,968	(7,475,978)	17,844,079	-	-	367,897,069	168,247,385	-	2,155,439	-	-	170,402,823	197,494,246	189,281,583
Previous Year	351,680,322	-	5,848,646	-	-	357,528,968	166,098,345	-	2,149,041	-	-	168,247,385	189,281,583	185,581,977

Adjustments in Leasehold Land pertains to reduction in the area of land at Sandila, Uttar Pradesh on its actual measurement.

Addition in Leasehold land pertains to interest accrued on deferred payment liability towards UPSIDC Ltd against land at Sandila, Uttar Pradesh.

Note: 3**Other Financial Assets**

Particulars	As at 31st March 2020	As at 31st March 2019
Non-current		
Bank deposits* (due for maturity after twelve months from the reporting date)	1,34,49,500	1,21,37,000
Interest Accrued on Bank deposits above* (net of tds)	14,32,110	8,83,921
Total	1,48,81,610	1,30,20,921

*The above amounts are under lien with bank as margin money towards bank guarantee of Rs 121.37 lacs given to IG Stamps Uttar Pradesh against the facility of exemption from stamp duty, bank guarantee of Rs 25 lacs given to Excise Commissioner, Uttar Pradesh and Security Deposit of Rs 0.62 lacs given to Excise Commissioner, Uttar Pradesh

Note: 4**Other Non-Current Assets**

Particulars	As at 31 st March 2020	As at 31 st March 2019
Capital Advances for Distillery & IMFL Bottling Project		
- Advance for buildings	1,19,54,710	58,60,935
- Advance for Machinery	74,48,531	1,96,08,303
Pre-operative Expenses for Distillery & IMFL Bottling Project	7,34,03,405	2,99,29,048
<u>Security Deposits</u>		
- to PICUP *	3,46,92,000	3,46,92,000
- to others	56,95,335	48,02,335
<i>(Unsecured, Considered Good)</i>		
<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.</i>		
Total	13,31,93,981	9,48,92,620

Note: 5**Inventories**

Particulars	As at 31st March 2020	As at 31st March 2019
Packing Material	19,08,880	13,66,110
Chemical and Fuel	59,863	32,270
Total	19,68,743	13,98,380

Note: 6**Cash & cash equivalents**

Particulars	As at 31st March 2020	As at 31st March 2019
Balance with banks:		
In Current Accounts	8,35,205	3,26,786
Cash in Hand	3,65,045	2,15,055
Total	12,00,250	5,41,841

Note: 7**Other current assets**

Particulars	As at 31st March 2020	As at 31st March 2019
GST Recoverable	3,50,14,482	2,13,92,770
Tds Receivable	1,03,551	2,91,041
Other amounts recoverable in cash or in kind or for value to be received		-
Considered Good	6,34,137	60,000
Considered Doubtful	-	-
	6,34,137	60,000
Less: Provision for doubtful	-	-
	6,34,137	60,000
Prepaid Expense	32,05,000	-
Total	3,89,57,170	2,17,43,811

Note: 8**Equity share capital**

Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Authorised (Equity shares of Rs.10 each)	85,00,000	8,50,00,000	85,00,000	8,50,00,000
(b) Issued, Subscribed and fully paid up (Equity shares of Rs.10 each)	79,30,000	7,93,00,000	79,30,000	7,93,00,000
Balance at the beginning of the year	79,30,000	7,93,00,000	79,30,000	7,93,00,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	79,30,000	7,93,00,000	79,30,000	7,93,00,000

The Reconciliation of Number of Shares outstanding at the beginning and at the end of the year

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
(a) Equity				
Opening Balance	79,30,000	7,93,00,000	79,30,000	7,93,00,000
Shares allotted during the year*	-	-	-	-
Closing Balance	79,30,000	7,93,00,000	79,30,000	7,93,00,000

Terms of Rights, preferences and restriction attached to shares**Note:**

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amount in proportion of their shareholding.

Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Equity shares of Rs.10 each fully paid				
M/s Survi Trade & Agency Pvt Ltd	11,90,000	15.01%	11,90,000	15.01%
Suraj Gupta	7,23,065	9.12%	7,23,065	9.12%
Anita Gupta	5,86,780	7.40%	5,86,780	7.40%

Note: 9**Other Equity**

Particulars	As at 31 March 2020	As at 31 March 2019
General Reserve		
Opening Balance	2,20,00,000	2,20,00,000
Additions during the year	-	-
Closing Balance	2,20,00,000	2,20,00,000
Capital Reserve		
Opening Balance	81,000	81,000
Additions during the year	-	-
Closing Balance	81,000	81,000
Surplus / (Deficit) in the Statement of Profit & Loss		
Opening Balance	(76,07,85,039)	(73,52,83,402)
Net Profit/(Net Loss) for the current year	(3,61,34,639)	(2,55,01,637)
Closing Balance	(79,69,19,678)	(76,07,85,039)
TOTAL	(77,48,38,678)	(73,87,04,039)

Note: 10**Non-Current Liabilities**

Particulars	As at	As at
	31st March 2020	31st March 2019
<u>Borrowings</u>		
From Banks	-	-
From Others		
<u>Secured</u>		
<u>Term Loan from financial Institution -</u>		
Loan in lieu of deferred Trade Tax from PICUP	3,56,80,000	4,01,40,000
Less: Amount of Current Maturity	(44,60,000)	(44,60,000)
	3,12,20,000	3,56,80,000
<u>Security</u>		
<i>Secured by way of a charge on the entire immovable and movable assets of the company situated at A-26, UPSIDC Industrial Area, Sikandrabad (UP)</i>		
<u>Terms</u>		
<i>Loan is interest free</i>		
<i>Repayable in 10 annual installments w.e.f 29.12.2018</i>		

Unsecured		
From Bodies Corporate	-	5,00,000
From Director/Ex-Director	-	51,00,000
Total	3,12,20,000	4,12,80,000

Note: 11**Provisions**

Particular	As at	As at
	31st March 2020	31st March 2019
Non-current		
Provision for Employees Benefits		
i) Gratuity	1,05,324	59,850
ii) Leave Encashment	1,63,946	65,719
Total	2,69,270	1,25,569

Note: 12**Other non-current liabilities**

Particulars	As at	As at
	31st March 2020	31st March 2019
Security Deposits (Interest Free)	10,150,000	10,725,000
Deferred Payments		
1)Deferred Trade Tax/VAT (Secured)	231,048,563	266,328,563
Less: Amount of Current Maturity	(35,280,000)	(30,160,856)
	195,768,563	236,167,706
<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 a charge on the entire immoveable and movable assets of the company situated at A-26, UPSIDC Industrial Area, Sikandrabad (UP)</i>		
2)UPSIDC - Deferred Payment towards leasehold land	71,166,007	80,061,759
Less: Amount of Current Maturity	(35,583,004)	(19,211,276)
	35,583,003	60,850,483
<i>To be paid in 11 half yearly installments wef 01.01.2018 with interest @ 14% p.a.</i>		
3) Defered Power Charges (Unsecured)	50,763,672	57,438,752
Less: Amount of Current Maturity	(6,675,080)	(6,411,383)
	44,088,592	51,027,369
<u>Terms</u> <i>These deferred amounts are interest free and repayable in 10 equal annual installments w.e.f 29.12.2018)</i>		
Total	285,590,158	358,770,558

Note: 13**Current Liabilities- Borrowings**

Particulars	As at	As at
	31st March 2020	31st March 2019
A) Secured Loans	-	-
B) Unsecured Loans		
<u>From Body Corporates</u>		
Principal amount	575,265,250	506,621,250
Interest payable	90,792,608	47,918,541
<u>From Directors</u>		
Principal amount	30,000,000	30,000,000
Interest payable	2,884,931	184,931
Total	698,942,789	584,724,722

Note: 14**Trade and other payables**

Particulars	As at	As at
	31st March 2020	31st March 2019
- Due to Micro & Small enterprises (inc. interest)	8,408,414	6,326,543
- Due to Other than Micro & Small enterprises	30,508,931	25,528,347
Total	698,942,789	584,724,722

Note: 15**Other Current Liabilities**

Particulars	As at	As at
	31st March 2020	31st March 2019
Current Maturities of long Term Debt- PICUP	4,460,000	4,460,000
Current Maturities of Deferred Trade tax/VAT	35,280,000	30,160,856
Current Maturities of Deferred Power Charges	6,675,080	6,411,383
Current Maturities of Deferred Payment of UPSIDC	35,583,004	19,211,276
Interest & Other Payables of UPSIDC	15,525,662	-
Business Advance	103,585,246	-
Advance from Customers	-	54,619
Other Payables:		
Statutory liabilities	5,891,702	7,383,766
Expenses payable	691,362	294,466
Accrued salary & benefits		
Salary & benefits	578,978	368,173
Bonus & incentives	-	207,604
	578,978	575,777
Total	698,942,789	584,724,722

Note: No amount is due for credit to Investor Education and Protection Fund.

Note: 16**Revenue from operations**

Particulars	As at	As at
	31st March 2020	31st March 2019
Sale of Products:		
Vanaspati & Refined Oil	-	43,706,496

Others	59,340	258,390
	59,340	43,964,885
Less: Excise Duty on By Products	-	-
Total	59,340	43,964,885

Note: 17**Other Income**

Particulars	As at	As at
	31st March 2020	31st March 2019
Other Income:		
- Bank deposits	609,099	571,362
- On debts & securities	-	-
Unpaid liabilities written back	2,012,995	5,941,502
Miscellaneous Income	121,480	-
Total	2,743,574	6,512,864

Note: 18**Cost of raw material consumed**

Particulars	As at	As at
	31st March 2020	31st March 2019
Raw Materials (Oil)		
1. Raw Oil		
Opening Stock	-	162,493
Purchases (including In-Transit)	-	32,646,298
Freight, Brokerage, & Insurance etc.	-	1,246,102
	-	34,054,893
Less: Closing Stock (including In-Transit)	-	-
	-	34,054,893
2. Packing Material	-	2,735,306
Total	-	36,790,199

Note: 19**Changes in inventories of finished goods, work in progress and stock-in-trade**

Particulars	As at	As at
	31st March 2020	31st March 2019
Changes in inventory of finished goods & WIP		
Opening Inventories		
Finished Goods	-	6,781,334
Stock in Process	-	-
	-	6,781,334
a)		
Closing Inventories		
Finished Goods	-	-
Stock in Process	-	-
	-	-
b)		
Total	-	6,781,334

Note: 20**Employee benefit expense**

Particulars	As at	As at
	31st March 2020	31st March 2019
Salaries, Wages and Incentives	1,739,284	5,607,870
Contribution to Provident & Other Funds	128,506	293,029
Provision for Long term employees benefits	143,701	101,366
Staff Welfare	-	56,716
Total	2,011,491	6,058,981

Note: 21**Finance Cost**

Particulars	As at	As at
	31st March 2020	31st March 2019
Opening Inventories		
Working Capital Loan from banks	-	-
Others	24,386,727	15,716,503
	24,386,727	15,716,503
Bank Charges	47,986	176,537
Total	24,434,713	15,893,040

Note: 22**Depreciation and amortisation**

Particulars	As at	As at
	31st March 2020	31st March 2019
Depreciation on PPE (Note 2)	2,155,439	2,149,041
Total	2,155,439	2,149,041

Note: 23**Other Expenses**

Particulars	As at	As at
	31st March 2020	31st March 2019
Consumption of Stores & Spares	-	-
Fuel, Power & Electricity	5,525,383	468,914
Handling Charges	-	156,618
Repair & Maintenance - Plant & Machinery	-	134,100
Repair & Maintenance - Others	-	211,119
Rates & Taxes	-	147,750
Rent	-	40,000
Rentals on Leased Vehicles	-	612,000
Tours & Travelling & Conveyance	346,002	532,536
Telephone, Postage & Internet Expenses	216,307	590,223
Legal, Professional Expenses	401,699	132,600
Printing & Stationery	-	9,224
Listing Fees	1,800,000	251,180
Security Services Agency chagres	397,609	696,997
Vehicle Running & Maintenance	-	552,455
Advertisement and Publicity	43,444	90,032
Freight	-	33,800

Commission, Discounts & Selling Expenses	-	146,419
Miscellaneous Expenses	1,605,466	1,588,733
Total	10,335,910	6,394,701

Note: 24**Contingent Liabilities and Commitments****I. Contingent Liabilities****(Rs. In Lakhs)**

Particulars	As on	As on
	31st March 2020	31st March 2019
a) Claims against the company not acknowledged as Debts. Demand raised by the Trade Tax Authorities in the year 2005-06, against which the company has filed appeal before Trade Demand raised by the Trade Tax Authorities in the year 2009-10, against which the company has filed appeal before Trade Tax Tribunal.	467.03 2.15	467.03 2.15
Total	469.18	469.19

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

II. Commitments

Particulars	As on	As on
	31st March 2020	31st March 2019
a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
-Building Shed	50.00	500.00
-Plant & Machinery	125.00	750.00

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.
- b) Subsequently in pursuance to BIFR vide order dated 25.07.2016 (as Corrected by the Corrigendum Dated 20.10.2016) and Uttar Pradesh Government's policy for revival of sick unit industries in the State, the Government 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-
 - i. 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.
 - ii. 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.

- iii. The Principal amount of power dues amounting to Rs 641.14 lacs is to be paid to Paschimanchal Vidyut Vitran Nigam Ltd in 10 annual installments after a moratorium period of 2 years i.e. w.e.f. 29.12.2018. Interest/surcharge levied by PVVNL has been waived and no interest/surcharge would be charged for future period. This has been approved by the Uttar Pradesh Electricity Regulatory Commission in pursuance to the petition filed by the Power Department, Government of UP.
- iv. The minimum demand charges levied by Paschimanchal Vidyut Vitran Nigam Ltd during the period of disconnection has been waived. This has been approved by the Uttar Pradesh Electricity Regulatory Commission in pursuance to the petition filed by the Power Department, Government of UP.
- 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

In the opinion of the Board, value on realisation of assets other than fixed assets & non-current investments in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet. Balances of some of the debtors and creditors, on the Balance Sheet date are subject to reconciliation and confirmation from some of the parties. However the variation is not expected to substantially vary the results of the company for the year.

Note 27

Employee Benefit Expense

i)	Change in benefit obligation	Leave Encashment		Gratuity	
		2019-20	2019-20	2018-19	2018-19
a)	Present value of obligation as at the beginning of the period	65,719			
b)	Acquisition adjustment	--			
c)	Interest cost	4,988			
d)	Past service cost	-			
e)	Current service cost	56,460			
f)	Curtailement cost/(Credit)	--			
g)	Settlement cost/(Credit)	--			
h)	Benefits paid	--			
i)	Actuarial (gain)/loss on obligation	36,779			
j)	Present value of obligation as at the end of period	163,946			
ii) Fair value of plan assets :					
a)	Fair value of plan assets at the beginning of the period	--	--	--	--
b)	Acquisition adjustment	--	--	--	--
c)	Actual return on plan assets	--	--	--	--
d)	Employer contributions	--	--	--	--
e)	Benefits paid	--	--	--	--
f)	Fair value of plan assets at the end of the period	--	--	--	--

g)	Funded status	(163,946)	(65719)	(105,324)	(59850)
h)	Excess of actual over estimated return on plan assets	--	--	--	--
iii) Fair value of plan assets :					
a)	Expected return on plan assets	--	--	--	--
b)	Actual return on plan assets	--	--	--	--
c)	Actuarial gain/(loss) on plan assets	--	--	--	--
iv) Actuarial gain / loss recognized					
a)	Actuarial gain / (loss) for the period-obligation	--	--	7,501	66913
b)	Actuarial (gain) / loss for the period - plan assets	--	--	--	--
c)	Total (gain) / loss for the period	--	--	(7,501)	(66913)
d)	Actuarial (gain) / loss recognized in the period	--	--	(7,501)	(66913)
e)	Unrecognized actuarial (gains) / losses at the end of period	--	--	--	--
v) The amounts to be recognized in balance sheet and related analysis					
a)	Present value of obligation as at the end of the period	163,946			
b)	Fair value of plan assets as at the end of the period	--	--	--	--
c)	Funded status / Difference	(163,946)		--	--
d)	Excess of actual over estimated	--	--		
e)	Unrecognized actuarial (gains) / losses	--	--	--	--
f)	Net asset / (liability) recognized in balance sheet	163,946			
vi) Expense recognized in the statement of profit and loss					
a)	Current service cost	56,460			
b)	Past service cost	4,988		--	--
c)	Interest cost	--	--		
d)	Expected return on plan assets	--	--	--	--
e)	Curtailment cost / (Credit)	--	--	--	--
f)	Settlement cost / (credit)	--	--	--	--
g)	Net actuarial (gain) / loss recognized in the period	36779	85723	(7,501)	(66913)
h)	Expenses recognized in the statement of profit & losses	98,227	130613	45474	(29247)
vii) Reconciliation statement of expense in the statement of profit and loss					
a)	Present value of obligation as at the end of period	163,946			
b)	Present value of obligation as at the beginning of the period	65,719			
c)	Benefits paid	--	--	--	--
d)	Actual return on plan assets	--	--	--	--
e)	Acquisition adjustment	--	--	--	--
f)	Expenses recognized in the statement of profit & losses	98,227	130613	45,474	(29247)
viii) Amounts for the current period					

a)	Present value of obligation as at the end of period	163,946	65719	105,324	59850
b)	Fair value of plan assets at the end of the period	--	--	--	--
c)	Surplus / (Deficit)	(163,946)	(65719)	(105,324)	(59850)
d)	Experience adjustment on plan Liabilities (loss) / gain	(27,673)	(85093)	12,572	67397
e)	Experience adjustment on plan Assets (loss) / gain	--	--	--	--
ix)	Movement in the liability recognized in the balance sheet				
a)	Opening liability	65,719	128559	59,850	89097
b)	Expenses as above	98,227	130613	45,474	(29247)
c)	Benefits paid	--	(193453)	--	--
d)	Actual return on plan assets	--	--	--	--
e)	Acquisition adjustment	--	--	--	--
f)	Closing liability	163,946	65719	105,324	59850
x)	Major categories of plan assets (as percentage of total plan assets)				
a)	Government of India Securities	--	--	--	--
b)	State Government securities	--	--	--	--
c)	High Quality Corporate Bonds	--	--	--	--
d)	Equity Shares of listed companies	--	--	--	--
e)	Property	--	--	--	--
f)	Special Discount Schemes	--	--	--	--
g)	Funds managed by Insurer	--	--	--	--
h)	Bank Balance	--	--	--	--
	Total	--	--	--	--
xi)	Sensitivity Analysis				
a)	Impact of the change in discount rate				
	Present Value of Obligation at the end of the period	163,946			
a)	Impact due to increase of 0.50%	(5,651)	(2,775)	(4141)	(2621)
b)	Impact due to decrease of 0.50 %	6,034	3,011	4,470	2,853
	b) Impact of the change in salary increase				
	Present Value of Obligation at the end of the period	163,946			
a)	Impact due to increase of 0.50%	6,055	3041	4,481	2884
b)	Impact due to decrease of 0.50 %	(5,696)	(2827)	(4,189)	(2672)
xii)	Actuarial Assumptions:			--	--
	Particulars	2019-20	2018-19	2019-20	2018-19
	Mortality table	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)	IALM (2012-14)
	Discount rate	6.76%	6.59%	6.76%	6.59%
	Expected rate of return on plan assets	N.A.	N.A.	N.A.	N.A.
	Rate of escalation in salary per annum	6.00%	6.00%	6.00%	6.00%
	Employee turnover up to 30 years	3.00%	3.00%	3.00%	3.00%
	Above 30 years but up to 44 years	2.00%	2.00%	2.00%	2.00%
	Above 44 years	1.00%	1.00%	1.00%	1.00%

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

xiii) Contribution to Defined Contribution Plan recognized as expense for the year is as under:

Particulars	As at	As at
	31st March 2020	31st March 2019
Employer contribution to Provident & Family Pension Fund	128,506	293,029

Note: 28**Financial instruments and risk management****Capital Management**

The Company manages its capital to ensure that Company will be able to continue as going concern. The Capital structure of the Company consists of net debt (borrowings as detailed in notes and offset by cash and bank balances) and total equity of the Company. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

Debt is classified as long-term and short-term borrowings as described in note 22 and 25.

Categories of Financial Instruments	As at	As at
	31st March 2020	31st March 2019
Financial and other financial assets		
Measured at amortised cost		
Cash and bank balances	1200250	541841
Trade Receivables	0	0
Other financial assets - non current	14881610	13020921
Other non current assets	133193981	94892620
Other Current assets	38957170	21743811
Total	188233011	130199194
Financial liabilities		
Measured at amortised cost		
Borrowings-Non Current	31220000	41280000
Borrowings- Current	698942789	584724722
Trade payables	38917345	31854890
Total	769080134	408454629

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other financial liabilities and other financial instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial risk management objectives and Policies

Financial risk management objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The company does not have foreign trade transactions nor any foreign currency transactions

The Board of Directors manages the financial risk of the company through internal risk reports which analyse exposure by magnitude of risk

Financial Risk Factors

The Company's exposure to credit risk is influenced mainly by the individual characteristics and credit worthiness of each customer.

Market Risk Factor

Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables or payables.

Liquidity Risk Factor

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price.

Foreign currency risk management

The company does not have any foreign currency exposure or transactions.

Interest rate risk management

The company's borrowings are at fixed rate of interest.

Credit risk management

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The company takes due care while extending any credit.

Liquidity risk management

The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Liquidity and interest risk tables- Not Applicable

Note 29

Payment to Auditors

Particulars	2019-20	2018-19
- Statutory Auditor	50,000	50,000
a) Statutory Audit Fees	0	0
b) For Taxation Matters	12,000	21,000
c) Limited Review/Certification	50,000	50,000
Total	62,000	71,000

Internal Auditor	50,000	59,000
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Note: 30**Analysis of Material Consumed in Manufacturing Operation:**

Class of goods	Unit	Current Year		Previous Year	
		Qty.	Value (Rs.)	Qty.	Value (Rs.)
Oil	MT	--	--	470	32,808,791
Packing		--	--	--	2,735,306
Chemicals		--	--	--	--
Total		--	--		35,544,098

Note: 31

Value of imported and indigenous raw materials, spare parts and components consumed in manufacturing operation and the percentage of each to the total consumption.

Particulars	Current Year				Previous Year			
	Raw Material		Spare Parts & Components*		Raw Material		Spare Parts & Components	
	Value	% to total consumption	Value	% to total consumption	Value	% to total consumption	Value	% to total consumption
Imported	--	--	--	--	--	--	--	--
Indigenous	--	--	--	--	35,544,098	100.00%	--	--
	--	--	--	--	35,544,098	100.00%	--	--

32. The value of Imports calculated on C.I.F. basis – Nil

33. Earning & outgo in foreign Currency: Nil

34. The provision for the current Income Tax is not considered necessary for the financial year 2019-20 in view of the brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

35. Deferred Tax Asset/Liability

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

(Rs. In Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred Tax Asset		
Unabsorbed Depreciation & Business Loss as per Income Tax Act	655.09	591.71
Deferred Trade Tax	600.73	822.96
Provision for Expenses & taxes, covered u/s sec 43B	0.70	11.58
Total	1,256.52	1,426.24
Deferred Tax Liability		
WDV of Fixed Assets	44.17	61.08
Total	44.17	61.08
Net Deferred Tax	1,212.35	1,365.16
Increase /(Decrease) in Net Deferred Tax Asset	(152.81)	11.56

In view of the continuing business losses & accounting policy of the company, the net deferred tax asset for the year has not been recognized, as the same does not appear to be realizable in near future.

36. BASIC AND DILUTED EARNING PER SHARE

The Basic and Diluted Earning Per Share has been

Particulars	As at 31.03.2020 (Rs)	As at 31.03.2019 (Rs)
Net Profit after tax available for equity shareholders	(36134639)	(25501637)
No. of weighted average equity shares (Basic & Diluted)	7,930,000	7,930,000
Basic Earning Per share (Rs.)	(4.56)	(3.22)
Diluted Earning Per share (Rs.)	(4.56)	(3.22)

37. 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 Related Parties and description of Relationship:**i. Key Managerial Personnel**

Mr Syed Azizur Rahman, Whole Time Director
 Mr Sunil Goel, Whole Time Director
 Late Mr J K Jain, Ex- Whole Time Director
 Ms Kanishka Jain, Company Secretary
 Mr Anil Kumar Gupta, CFO

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

Transaction	For the year ended 31 March 2020	For the year ended 31 March 2019
EXPENDITURE		
Remuneration to Mr S A Rahman, Whole Time Director	1,800,000	1,800,000
Remuneration paid to Company Secretary	334,550	278,900
Remuneration paid to CFO	257,544	234,000
Interest on unsecured loan paid to Mr Sunil Goel Whole Time Director	3,000,000	184,931
Balance of unsecured Loans at the end of the year (Late Mr J K Jain, Ex-Whole Time Director)	-	5,100,000
Balance of unsecured Loan at the end of the year (Mr Sunil Goel, Whole Time Director)	32,884,931	30,184,931

38. Segment Reporting

At present the company operates only in one segment- Vanaspati & Refined Oils. The company is establishing a Distillery and Bottling Plant for IMFL & Country Liquor at Sandila, Dist. Hardoi, Uttar Pradesh, which is under implementation.

39. Operating Lease: There is no Operating Lease exists.**40. Forward exchange Contracts entered into by the company and outstanding:**

The Company did not have any foreign exchange contracts including derivative contracts for which there were any material foreseeable losses.

41. Previous year's figures have been regrouped/reclassified, wherever considered necessary, to conform to current year's classification.

As per our report of even date attached

For Satendra Rawat & Co

Chartered Accountants

Firm Registration No: FRN-008298C

For and on the Behalf of Board of Directors

Sd/-

(CA. Satendra Rawat)

Partner

Membership No.: 074126

Sd/-

Syed Azizur Rahman

(Whole Time Director)

DIN- 00242790

Sd/-

Sunil Goel

(Whole Time Director)

DIN-01229459

Place: Delhi

Date: 29.07.2020

Sd/-

Anil Kumar Gupta

Chief Financial Officer

Sd/-

Kanishka Jain

Company Secretary