

SHRI GANG INDUSTRIES & ALLIED PRODUCTS LIMITED

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19TH
ANNUAL REPORT
2007-2008



BOARD OF DIRECTORS

Whole Time Director

Shri Gopal Das Aggarwal

Directors

Shri S.K.Jain
Shri Inder Mani Mittal
Shri Sanam Gambhir

Bankers

Punjab National Bank

Auditors

M/s Tas Associates,
Chartered Accountants

Registered Office

A-26, UPSIDC Industrial
Area, Sikandrabad,
Distt. Bulandshahr, U.P.

Corporate Office

A-8, Sector 19,
NOIDA, UP

Share Transfer Agent

Beetal Financial & Computer
Services (P) Ltd.
Beetal House, 3rd Floor,
99, Madangir, New Delhi.

Shri Gang Industries & Allied Products Limited



NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Members of Shri Gang Industries & Allied Products Limited will be held on Tuesday the 30th day of December, 2008, at 10:00 A.M. at the Registered Office of the Company at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahar (U.P) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2008 and the Profit & Loss Account for the year ended on that date and report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Inder Mani Mittal, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint a Director in place of Shri Gopal Dass Aggarwal, who retires by rotation and being eligible offer himself for reappointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"Resolved that in pursuance to the provisions of Section 257 of the Companies Act, 1956 Shri Rajesh Gupta be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation"

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

Resolved that pursuant to section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent and approval of the members of the company be and is hereby accorded to the appointment of Shri Gopal Dass Aggarwal as Whole Time Director of the company in accordance with Part I of Schedule XIII of the Companies Act, 1956 to hold office for a period of one year from the date of conclusion of the Nineteenth Annual General Meeting to the conclusion of the Twentieth Annual General Meeting on a total monthly remuneration of Rs. 15000/- per month as approved by the Remuneration Committee in accordance to provisions of Part II of the Schedule XIII of the Companies Act, 1956 with liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified therein, or in any amendments and/or modifications that may hereafter be made in schedule XIII and other applicable provision by the Central Government or as may be agreed between the Board of Directors and Shri Gopal Dass Aggarwal.

Resolved further that where in any financial year closing on and after 1st April, 2008 the company has no profits or its profits are inadequate the company may pay Shri Gopal Das Aggarwal by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the Board of Directors and Remuneration Committee and to be within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution."

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

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"Resolved that pursuant to section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions if any of the Companies Act, 1956, the consent and approval of the members of the company be and is hereby accorded to the appointment of Shri Rajesh Gupta as Managing Director of the company in accordance with Part I of Schedule XIII of the Companies Act, 1956 to hold office for a period of one year from the date of conclusion of the Nineteenth Annual General Meeting to the conclusion of the Twentieth Annual General Meeting on a total monthly remuneration of Rs. 200000/- per month as approved by the Remuneration Committee in accordance to provisions of Part II of the Schedule XIII of the Companies Act, 1956 with liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified therein, or in any amendments and/or modifications that may hereafter be made in schedule XIII and other applicable provision by the Central Government or as may be agreed between the Board of Directors and Shri Rajesh Gupta.

Resolved further that where in any financial year closing on and after 1st April, 2008 the company has no profits or its profits are inadequate the company may pay Shri Rajesh Gupta by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the Board of Directors and Remuneration Committee and to be within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution."

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

Place : Noida
Date : 24.11.2008

Sd/-
(Gopal Dass Aggarwal)
Whole Time Director

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

NOTES :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 4 to 5 set out above is annexed hereto.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company, Proxy in order to be effective, must reach the Registered Office of the company duly stamped, not less than 48 hours before the time fixed for the meeting. Proxy Form is enclosed.
3. The Register of Members and Share Transfer Book, of the company will remain closed from Saturday the 27th December, 2008 till Tuesday, the 30th December, 2008 (Both days inclu-sive).
4. Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
5. Members are requested to notify immediately any change in their address, quoting folio numbers to the company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

The company has received a notice from a shareholder u/s 257 of the Companies Act, 1956 along with Rs 500/- proposing the candidature of Shri Rajesh Gupta for appointment as Director of the company liable to determination by retirement of Directors by rotation.

Mr Rajesh Gupta is a MBA by profession and has got vast experience in different industries at the top management



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level.

Your Directors recommend the resolution set out at item no.5 for your approval.

None of the Directors is interested in the resolution.

ITEM NO. 6

Shri Gopal Das Aggarwal was appointed as Whole Time Director of the company w.e.f. 28.01.2007 for a period of two year upto the conclusion of 19th Annual General Meeting on a total monthly remuneration of Rs. 12045/-(Gross) per month.

It is proposed to re-appoint Shri Gopal Das Aggarwal as Whole Time Director of the company for a further period of 1 year from the conclusion of the 19th Annual General Meeting till the 20th Annual General Meeting on a monthly remuneration of Rs 15000 as detailed below-

- 1) Basic Salary Rs. 9000/- P.M.
- 2) House Rent Allowance of Rs.2250/- P.M..
- 3) Other Allowances Rs. 3000/- P.M.
- 4) Perquisites: To be paid to Whole Time Director as mentioned below:
 - a) Company's Contributions to Provident Fund: As per Rules of the Company, but not exceeding 12% of the salary, as laid down in the Income Tax Rules. 1962.
 - b) Medical Reimbursement for self and family: Rs.750/- P.M.
 - c) Leave encashment as per the rules of the Company

Your Directors recommend the resolution set out at Item No. 6 for your approval.

None of the Directors except Shri Gopal Dass Aggarwal are interested in the said resolution.

ITEM NO. 7

It is proposed to appoint Shri Rajesh Gupta as the Managing Director of the company for a period of one year from the date of conclusion of the Nineteenth Annual General Meeting to the conclusion of the Twentieth Annual General Meeting on a total monthly remuneration of Rs. 200000/- per month as detailed below-

1. Basic Salary Rs 120000/- per month
2. House Rent Allowance Rs 60000/- per month
3. Special allowance Rs 20000/- Per month
4. In addition to the above the details of perquisites payable are as follows-
 - a) Company's car with driver for the use for company's business
 - b) Leave encashment as per the rules of the Company

At present Shri Rajesh Gupta is working with the company as Chief Executive Officer since August 1, 2008. Shri Rajesh Gupta is a MBA by profession and has got vast experience in different industries at the top management level.

His appointment as the Managing Director would enable to effectively manage the operations of the company and to turn it around.

Your Directors recommend the resolution set out at Item No. 7 for your approval.

None of the Directors except Shri Rajesh Gupta are interested in the said resolution.

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

Place : Noida
Date : 24.11.2008

Sd/-
(Gopal Dass Aggarwal)
Whole Time Director

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

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ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

Shri Inder Mani Mittal has over 40 years experience in industry, commerce & business. He is associated with the company since last three years and is seeking re-election as director of the company. He is director and member of committees of the following companies-

Other Directorship	Name of the Committee
Name of Company	Name of the Committee
Suraj Industries Ltd. - Director	1. Suraj Industries Ltd. - a) Audit Committee - Member 2. Shri Gang Industries and Allied Products Ltd. - a) Investors' Grievance/Share Transfer Committee- Chairman b) Audit Committee - Member

Shri Gopal Das Aggarwal has done graduation. Shri Gopal Das Aggarwal has over 20 years of rich experience in Industry, Commerce and Business. He is associated with the company for the last 7 years.

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
NIL	Shri Gang Industries & Allied Products Ltd- a) Audit Committee -- Chairman b) Investors' Grievance/Share Transfer Committee- Member

Shri Rajesh Gupta is a management Graduate by profession. He has got over 30 years of rich experience in Industry, Commerce and Business at top management positions.

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
M/s Grandslam Developers Private Limited	None

ADDITIONAL INFORMATION AS REQUIRED UNDER THE PROVISIONS OF SECTION II (1) (B) OF PART II OF THE SCHEDULE XIII OF THE COMPANIES ACT, 1956 FOR PAYMENT OF REMUNERATION TO MR RAJESH GUPTA WHO IS PROPOSED TO BE APPOINTED AS THE MANAGING DIRECTOR OF THE COMPANY

1. GENERAL INFORMATION	
(1) Nature of Industry	Edible oils- manufacture & Sale of Vanaspati, Bakery Shortening and Refined Oils
(2) Date or expected date of Commencement of commercial Production.	Already in production
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.

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(4) Financial performance based on given indicators

(Rs. In Lacs)

	Year ended June 30, 2008
Sales	18463.75
Profit before Financial Charges & Depreciation	(662.49)
Financial Charges	79.77
Depreciation	93.08
Extra Ordinary Expenses :	
Prior period Expenses	14.80
Net Profit/(Loss) before Tax	(847.26)
Income Tax (Fringe Benefit Tax)	2.88
Net Profit (Loss) for the year	(850.14)
APPROPRIATIONS	
Dividend	
Transfer to General Reserve	
Provision for Leave Encasement reverted under transitional provision as per AS 15	4.30
Loss brought forward	(3541.98)
Transfer from Investment allowance reserves	
Balance in profit & Loss Account carried to Balance sheet	(4387.82)
(5) Export performance and net foreign exchange collaborations.	N.A.
(6) Foreign investments or collaborators, if any.	N.A.
II. INFORMATION ABOUT THE APPOINTEE	
(1) Background details	<p>Name: Rajesh Gupta</p> <p>Educational Background - MSc. MBA</p> <p>Experience: Having more than 30 years at Senior level in groups like Modi's, DCM Shriram etc. Also worked as MD of the company for about three years.</p>
(2) Past remuneration	Rs. 60 lacs per annum
(3) Recognition or awards	<p>i) Award for export of non traditional item</p> <p>ii) President Scout Certificate</p>
(4) Job profile and his suitability.	<ul style="list-style-type: none"> Has experience of than 30 years at senior level in companies of repute. Has managed affairs of these companies in the capacity of CEO/Managing Director. Has the administrative and commercial capability and experience to manage the affairs of our company Well versed in modern management techniques and practices and capable of integrating the same into our company, which is very essential when the world market has opened up.



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(5) Remuneration proposed	Rs. 24 lacs per annum
(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	<ul style="list-style-type: none"> ● With the opening of the world economy it is essential to have a managerial person at the helm of the affairs who is capable of managing the operations in the current economic scenario ● Edible oil industry being a traditional commodity based industry was essentially managed by the promoters themselves. ● However after the opening up of the economy and entry of various MNCs in this industry like Adani Wilmar Ltd, Cargil India Pvt Ltd, Agro Tech Foods Ltd, Bunge India Pvt Ltd, it has become essential for a company to be professionally managed. ● The proposed remuneration is in line with the remuneration being offered to CEOs in this industry as well as in other industries.
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel,, if any	None, except for the fact that the appointee at present is working the company in the capacity of CEO at a monthly remuneration of Rs 2 lacs.
III. OTHER INFORMATION	
(1) Reasons of loss or inadequate profits	<p>The company has incurred losses in the past due to duty free import of huge quantity of Vanaspati from Sri Lanka and Nepal under the free trade agreement with them. However, this has now been rectified by the Government through reduction in duties on Crude palm Oil which is the main raw material as a result of which the imports from these countries are now negligible</p> <p>Apart from this the losses were due to lower economies of scale etc</p>
(2) Steps taken or proposed to be taken for improvement	<p>a) Focus on sales of value added products like Bakery shortening which has got good market potential from customers like biscuits manufacturers etc.</p> <p>b) Technology up gradation/revamping of existing plant and equipments to reduce the cost of production.</p> <p>c) Manufacture of captive packaging material.d) tapping new markets like various organised retail networks.</p>
3) Expected increase in productivity and profits in measurable terms.	<p>a) With the above measures it is expected that the cost of production would go down substantially.</p> <p>b) Market volume will increase</p> <p>c) Better contribution from value added product</p> <p>All these will result into improvement of the profitability of the company and help it to turnaround.</p>

**DIRECTORS' REPORT**

To the Members,

Your directors have pleasure in presenting their Nineteenth Annual Report along with the Audited Statements of Account for the year ended June 30, 2008.

Financial Results

Financial Results for the year's operations and the comparative figures of the previous year are summarised below:

	(Rs. in lacs)	
	Year ended June 30, 2008	Year ended June 30, 2007
Sales	18463.75	15141.32
Profit before Financial Charges & Depreciation	(662.49)	(546.95)
Financial Charges	79.77	61.12
Depreciation	93.08	96.00
Extra Ordinary Expenses :		
Prior period Expenses	14.80	4.95
Net Profit/(Loss) before Tax	(847.26)	(709.02)
Income Tax (Fringe Benefit Tax)	2.88	2.61
Net Profit (Loss) for the year	(850.14)	(711.63)
APPROPRIATIONS		
Dividend	--	--
Transfer to General Reserve	--	--
Provision for Leave Encasement reverted under transitional provision as per AS 15	4.30	-
Loss brought forward	(3541.98)	(2830.34)
Transfer from Investment allowance reserves	-	-
Balance in profit & Loss Account carried to Balance sheet	(4387.82)	(3541.98)

Dividend

In view of Company's Financial Position, the Directors are unable to recommend any dividend. The company's share are listed at Mumbai and the company has deposited the listing fee to the Stock Exchange for the year 2008-2009 pursuant to clause 38 of the listing agreement.

Operations

During the year under review the company has incurred a loss of Rs 850.14 Laes. The major factor was increased imports of duty free Vanaspati from Sri Lanka under the Free Trade Agreement. This was in addition to the duty free import of Vanaspati from Nepal. As a result of this company incurred loss in this year as well.

Deposits

During the year the company has not accepted any public deposits. However, the company has accepted the deposits from the specified persons in earlier years and the statement in lieu of advertisement has been filed with the Registrar of Companies for those years. However there is no default in repayment of any deposit.



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Directors

Shri Inder Mani Mittal and Shri Gopal Dass Aggarwal Directors retire by rotation and being eligible offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to the provisions contained in section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm:

- a. That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b. That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2007-08 and of the loss of the company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.
- d. That they have prepared the annual accounts on a going concern basis.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement for Corporate Governance your company has constituted the Audit Committee of the Board of Directors with the following composition:

1. Shri Sanam Gambhir
2. Shri S.K.Jain
3. Shri Inder Mani Mittal

This committee has reviewed the Accounts for the year ended June 30, 2008.

Corporate Governance

SVL continues to function in a transparent manner with the basic philosophy to create wealth, besides taking care of the interest of all stakeholders including shareholders, banks, Financial Institutions, customers, Employees and the society at large.

Your company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect. A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate governance as stipulated under clause 49 of the Listing Agreement with the stock exchanges form part of the Annual Report.

Auditors

M/s Tas Associates, Chartered Accountants, Auditors of the company hold office until the conclusion of ensuring Annual General Meeting and your directors recommended their re-appointment. The company has received the requisite certificate from M/s Tas Associates, Chartered Accountants to the effect that their re-appointment of effected, would be within the limits prescribed u/s 224(1-B) of the Companies Act, 1956.

Insurance

All the insurable interest of the company including inventories, building and plant & machinery under legislative enactments are adequately insured.