

SHRI GANG INDUSTRIES AND ALLIED PRODUCTS LIMITED

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**20TH
ANNUAL REPORT
2008-2009**



Shri Gang Industries and Allied Products Limited

BOARD OF DIRECTORS

Chairman	Shri J.K. Jain
Managing Director	Shri Rajesh Gupta
Whole Time Director	Shri Gopal Das Aggarwal
Directors	Shri Inder Mani Mittal Shri Sanam Gambhir
Company Secretary	Praveen Kumar Pandey
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	B-19, Sector - 8, NOIDA, UP
Share Transfer Agent	Beetal Financial & Computer Services (P) Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi.



Shri Gang Industries and Allied Products Limited

NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Members of Shri Gang Industries and Allied Products Limited will be held on Wednesday the 30th day of December, 2009, 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, 2009 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 Sanam Gambhir, who retires by rotation and being eligible offer himself for reappointment.
3. 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 :

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

“Resolved that Shri J.K.Jain who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of this Annual General Meeting 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.”

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

“**RESOLVED THAT** the consent of the company be and is hereby accorded in terms of section 293(1)(a) and all other applicable provisions if any, of the companies act, 1956 for creating first charge on pari passu basis and /or mortgaging and /or charging by the Board of Directors of the company of all the immovable properties of the company wheresoever situated present and future and the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of the following parties .

As and by way of First Charge on Pari Passu Basis:-

- a) The Commercial Tax Department Govt. of Uttar Pradesh, for the deferment of dues payable by the company under the Trade Tax/VAT/Central Sales Tax Acts amounting to Rs. 3000 lacs
- b) Punjab National Bank for its Working Capital facilities of Rs. 515 lacs (Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs)
- c) Punjab National Bank for its Adhoc limits of Rs. 145 lacs.
- d) The Pradeshia Industrial & Investment Corporation of U.P. Ltd for its Interest Free Trade Tax Deferment Loan of Rs 446 Lacs.

RESOLVED FURTHER THAT the consent of the company be and is hereby accorded in terms of section 293(1)(a) and all other applicable provisions if any, of the companies Act, 1956 for mortgaging and/or charging and/or creating first charge on pari passu basis alongwith the charge of other Financial Institution/Banks by the board of directors of the company wheresoever situated, present and future, and the whole or substantially the whole of the undertaking or the undertaking of the company in favour of Commercial Tax department/State Government/banks by deposit of title deed to ICICI as agent of The Commercial Tax Department. Govt. of Uttar Pradesh and Punjab National Bank by constructive delivery of deeds title in terms of the agreement entered into/to be entered into by the company.



Shri Gang Industries and Allied Products Limited

FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorised to do all such acts, deed and things as may be necessary for giving effect to the above resolution."

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 twentieth Annual General Meeting to the conclusion of the Twenty-first 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, 2009 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 an Ordinary Resolution:

"Resolved that subject to the approval of the members in the General Meeting and 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 company be and is hereby accorded to the appointment of Shri J.K.Jain , as whole Time Director of the company in accordance with schedules XIII of the companies act, 1956 to hold office for a period w.e.f 31.10.2009 till the conclusion of twenty-first Annual General Meeting on a total monthly remuneration of Rs. 50250/- per month as set out in the explanatory statement to this resolution.

Resolved further that where in any financial year closing on and/after 1st April, 2009 the company has no profits or its profits are inadequate the company may pay where the Director by way of salary, perquisite and other allowances 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 and Allied Products Limited

Place : Noida

Sd/-

Date : 27.11.2009

(Praveen Kumar Pandey)
Company Secretary

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



Shri Gang Industries and Allied Products Limited

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 7 as 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 Monday the 28th December, 2009 till Wednesday, the 30th December, 2009 (Both days inclusive).
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. 4

The Board of Directors appointed Shri J.K.Jain as an additional Director of the Company in accordance with Article 80 of the Articles of Association of the Company and section 260 of the Companies Act, 1956 to hold the office upto the date of ensuing Annual General Meeting. The Company has received a notice from shareholder u/s. 257 of the Companies Act, 1956 along with Rs.500/- proposing the candidature of Shri J.K.Jain for the office of Director. Your Directors recommend the resolution set out at item no. 4 for your approval.

None of the Directors except Shri J.K.Jain is interested in the resolution.

ITEM NO. 5

The Company has been granted

- 1) Deferment of dues payable under the Trade Tax Act/VAT Act/CST Act by the Commercial Tax Department Govt. of Uttar Pradesh, which would amount to Rs. 3000 lacs (approx),
- 2) Working capital facilities by Punjab National Bank (Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs and ad hoc CC limit upto Rs145 lacs)
- 3) Interest Free Trade Tax Deferment Loan of Rs 446 Lacs by The Pradeshia Industrial & Investment Corporation of U.P. Ltd For this purpose the Company has to create first charge on pari passu basis by way of mortgaging and /or charging by the Board of Directors of the company of all the immovable properties of the company wheresoever situated present and future and the whole of the undertaking of the company together with power to take over the management of the business and concern of the company in certain events to or in favour of the following parties .

As and by way of First Charge on Pari Passu Basis:-

- a) The Commercial Tax Department Govt. of Uttar Pradesh, for the deferment of Trade Tax/VAT/Central Sales Tax amounting to Rs. 3000 lacs
- b) Punjab National Bank for its Working Capital facilities of Rs. 515 lacs(Cash Credit Rs. 500 lacs and Bank Guarantee Rs. 15 lacs)
- c) Punjab National Bank for its Adhoc limits of Rs. 145 lacs.
- d) The Pradeshia Industrial & Investment Corporation of U.P. Ltd for its Interest Free Trade Tax Deferment Loan of Rs 446 Lacs.

The company has initiated this resolution to be passed by the shareholders by postal ballot under section 192 A of the companies act and send the Notices and Ballot Forms to all the shareholders of the company and had appointed Shri G.S.Khurana, Practicing Company Secretary to act as Scrutinizer for the Postal Ballot Process. The result of the Postal Ballot to be announced by the Chairman in the ensuing Annual General Meeting.

Your directors, therefore recommend the resolution set out at above for your approval.

None of the Directors are interested in the resolution.



ITEM NO. 6

Shri Gopal Das Aggarwal was re-appointed in last Annual General Meeting as Whole Time Director of the company from the conclusion of 19th Annual General Meeting till the conclusion of 20th Annual General Meeting.

It was proposed by the board 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 20th Annual General Meeting till the conclusion of 21st 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 is interested in the said resolution.

ITEM NO.7

The member may note that board of directors in their meeting held on 31st October, 2009 appointed Shri J.,K Jain , as Whole Time Director of the company for a period w.e.f 31.10.2009 till the conclusion twenty-first Annual General Meeting of the company .The appointment of Shri J.K.Jain as Whole Time Director was made as per Section 198, 269, 309 and 310 read with schedule XII of the companies act and further subject to the approval of members in the General Meeting. The details of remuneration to be paid to Shri J,K, Jain are mentioned below:

Basic Salary	Rs 35000 per month
House Rent Allowance	Rs 14000/ per month
Medical reimbursement/allowance:	Rs.1250/ P.M
Travel for official work	As per rule of the company

Your Directors recommend the resolution set out at item no. 7 for your approval.

None of the Directors except Shri J.K.Jain is interested or concerned in the resolution.

By order of the Board

For Shri Gang Industries and Allied Products Limited

Sd/-

(Praveen Kumar Pandey)

Company Secretary

Place : Noida

Date : 27.11.2009

Registered Office :

A-26, UPSIDC Industrial Area,

Sikandrabad, Distt. Bulandshahar (U.P.)

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

Shri Sanam Gambhir has over 7 years experience in industry, commerce & business. He is associated with the company since last two years and is seeking re-election as director of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
Grandslam Developers Pvt. Ltd. - Director	Shri Gang Industries and Allied Products Ltd. - a) Investors' Grievance/Share Transfer Committee- Member b) Audit Committee - Chairman c) Remuneration Committee - Chairman

Shri J.K.Jain has done graduation in Commerce and over 40 years of rich experience in Industry, Commerce and Business and proposed to be appointed as additional Director and Chairman of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
Suraj Industries Limited, Director Mohan Meakins Ltd, Director	Suraj Industries Ltd- a) Remuneration Committee- Chairman b) Investors' Grievance/Share Transfer Committee- Member Mohan Meakins Ltd. Audit Committee - Member



Shri Gang Industries and Allied Products Limited

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their Twentieth Annual Report along with the Audited Statements of Account for the year ended June 30, 2009.

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, 2009	Year ended June 30, 2008
Sales	16877.69	18463.75
Profit before Financial Charges & Depreciation	(1068.49)	(662.49)
Financial Charges	76.01	79.77
Depreciation	94.35	93.08
Extra Ordinary Expenses :		
Prior period Expenses	20.03	14.80
Net Profit/(Loss) before Tax	1258.70	847.26
Income Tax (Fringe Benefit Tax)	2.17	2.88
Net Profit (Loss) for the year	(1261.06)	(850.14)

APPROPRIATIONS

Dividend	—	—
Transfer to General Reserve	—	—
Provision for Leave Encashment reversed under transitional provision as per AS 15	—	4.30
Loss brought forward	(4387.82)	(3541.98)
Transfer from Investment allowance reserves	—	—
Balance in profit & Loss Account carried to Balance sheet	(5648.68)	(4387.82)

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 2009-2010 pursuant to clause 38 of the listing agreement.

Operations

During the year under review the company has incurred a loss of Rs 1261.06 Lacs. The major factor was sluggishness in the market resulting out of global meltdown last year. Due to general recession worldwide there was a steep decline in the prices of edible oils which also affected the business.



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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.

Directors

Shri Sanam Gambhir Director retire by rotation and being eligible offer himself for re-appointment. During the year, Shri S.K. Jain resigned from the Directorship of the company. The expertise and invaluable guidance of Shri S.K. Jain has helped the company to a greater extent in forging ahead. The Board places on record its deep appreciation and gratitude for the valuable advise, guidance, assistance and service rendered by him during his tenure on the board.

Shri J.K. Jain was appointed as Additional Director under section 260 of the Companies Act, 1956 and Whole Times Director of the Company on 31.10.2009. The company has received the notice from member under section 257 of the Companies Act, 1956 proposing the appointment of Shri J.K. Jain as regular director of the company.

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 2008-09 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 as on 30th June 2009 :

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

The audit committee was re-constituted on 31st July 2009 by inducting Shri Gopal Dass Agarwal in place Shri S.K. Jain who has resigned from the Directorship and membership of the audit Committee.

This committee has reviewed the Accounts for the year ended June 30, 2009.

Corporate Governance

SGIAPL 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.



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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 Practising Company Secretary regarding compliance of conditions of Corporate governance as stipulated under clause 49 of the Listing Agreement with the stock exchanges from 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.

Disclosure of Particulars

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information and data is given in Annexure I to this Report.

Industrial Relations

The Industrial Relations have continued to be stable and harmonious during the course of the year. Your company has made sustained efforts to improve manpower productivity and employer-employee relations.

As required under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1957 as amended, the names and other particulars of the employees are set out in Annexure II hereto forming part of this report.

Acknowledgement

We wish to place on record our sincere appreciation of the continued valuable, co-operation, guidance and support provided to the company by its bankers Punjab National Bank, Directorate of Vanaspati, Government of Uttar Pradesh and the local authorities.

The Directors also express their thanks to the large number of customers and associates for their patronage.

In the end, your directors wish to place on record their deep appreciation of the enthusiasm, initiative and hard work put in by the staff and workers of the company at all levels which enables your company to make all round progress.

For and on behalf of the Board
For Shri Gang Industries & Allied Products Limited

Sd/-
J.K.Jain
Chairman

Place : NOIDA
Date : November 27, 2009