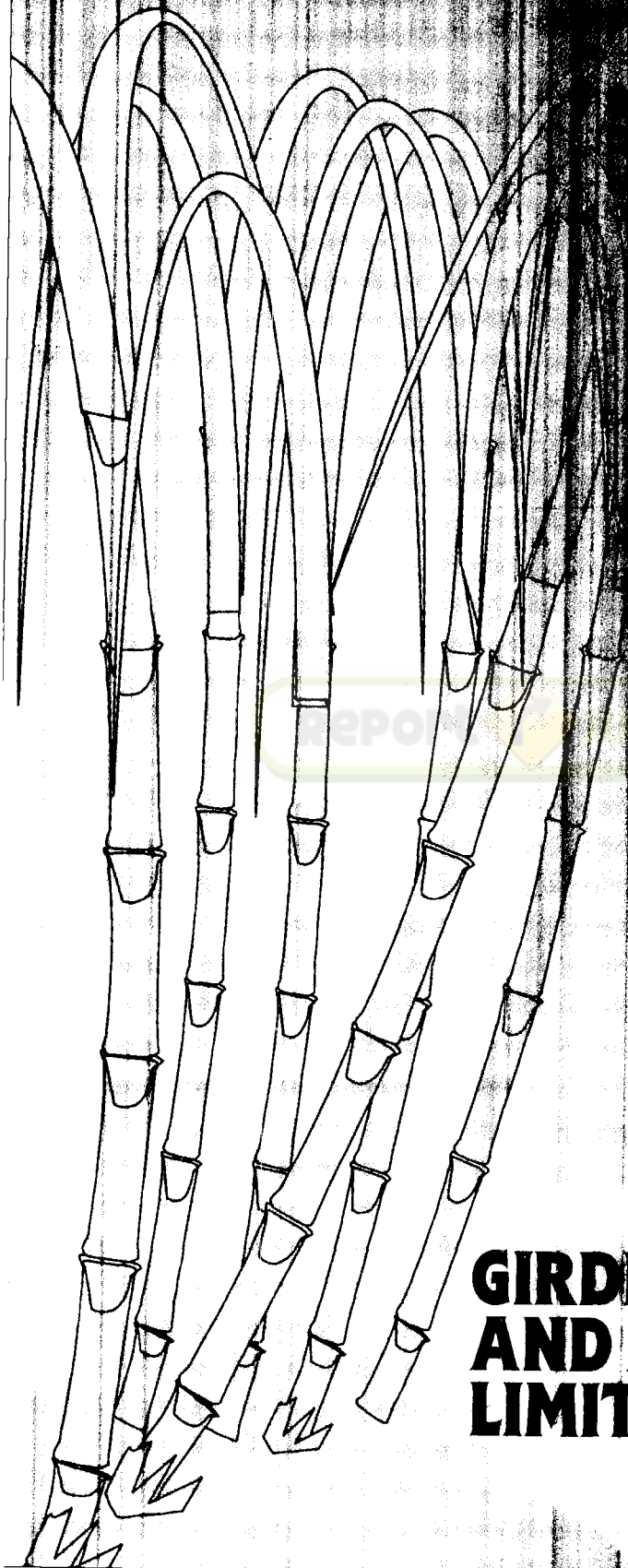


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**GIRDHAR LAL SUGAR
AND ALLIED INDUSTRIES
LIMITED**

**NINTH ANNUAL GENERAL MEETING
ON TUESDAY, 29TH SEPTEMBER, 1998
at
"NARMADA NAGAR" VILLAGE GHATWA
TEHSIL THIKRI, DIST. KHARGONE M.P.
AT 11.00 A.M.**

BOARD OF DIRECTORS

SHRI RAJESH AGRAWAL	-	CHAIRMAN & MANAGING DIRECTOR
DR.G.P.TULSYAN	-	WHOLE-TIME DIRECTOR
SHRI R.K. SHARMA	-	DIRECTOR
SHRI G.R.JOSHI	-	DIRECTOR
SHRI M.S. BIDASARIA	-	DIRECTOR
SHRI RAKESH KAPOOR	-	NOMINEE DIRECTOR, (IFCI)
SHRI BISMILLAH	-	NOMINEE DIRECTOR, (IDBI)
SHRI R.KRISHNAMURTHY	-	NOMINEE DIRECTOR, (IREDA)

Shareholders are requested to bring their copy of the Annual Report along with them at the Annual General Meeting, as Copies of the report will not be distributed at the meeting.

LISTING OF SHARES

M.P. Stock Exchange, INDORE
Mumbai Stock Exchange, MUMBAI

AUDITORS

M. MEHTA & CO.,
CHARTERED ACCOUNTANTS
INDORE.

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE & WORKS :

NARMADA NAGAR
VILLAGE GHATWA
TEHSIL THIKRI
DIST. KHARGONE (M.P.)

CORPORATE OFFICE :

106, CHETAK CENTRE, 1ST FLOOR
12/2, R.N.T. MARG,
INDORE - 452001

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NOTICE

NOTICE is hereby given that the 9th Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Limited will be held on Tuesday, the 29th September 1998 at the Registered Office of the Company at Narmada Nagar, Village - Ghatwa, Tehsil - Thikri, Distt. - Khargone (M.P.) at 11.00 A.M. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 1998, and the Profit & Loss Account for the year ended on that date together with the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Shri G.R.Joshi, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri M.S. Bidasaria, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS.

5. DELISTING OF EQUITY SHARES WITH STOCK EXCHANGES.

TO Consider and if thought fit, to pass with or without modifications(s) the following resolution, as Special Resolution :-

"Resolved that approval of Share holders in General Meeting be and is hereby accorded to make an application to The Stock Exchange, Ahmedabad, The Delhi Stock Exchange Association Limited, New Delhi, Jaipur Stock Exchange Limited, Jaipur and National Stock Exchange of India Limited, Mumbai to delist the equity shares of the Company with effect from 1st Apr.'98 in view of losses incurred during past 2 years as well as infrequent trading in the Equity Shares of the Company during past years, However equity shares remain be listed on Regional Stock Exchange".

"Resolved Further That Shri Rajesh Agrawal, Chairman & Managing Director be and is hereby authorised to make an application to Respective Stock Exchanges for delisting the shares and do the necessary acts, deeds and things to give effect to above resolution".

For and on behalf of the Board

Girdharilal Sugar And Allied Industries Limited

DATE : 29.06.98

PLACE: INDORE

Registered Office :-

Narmada Nagar,

Village - Ghatwa, Tehsil - Thikri,

Distt. - Khargone (M.P.)

RAJESH AGRAWAL

Chairman & Managing Director

NOTES:-

1. Member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote at the Meeting in his place and the Proxy need not be a Member of the Company.
2. The Proxy form should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. Shareholders are requested to intimate change in their addresses, if any, immediately.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21st September, 1998 to Tuesday, the 29th September, 1998 (both days inclusive).
5. Any query on the Annual General Meeting should be submitted in writing so as to reach the Registered Office of the Company at least 10 days before the date of Annual General Meeting.

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

The Company is under severe Financial crises and facing liquidity crunch since last two years due to recession in Sugar Industry owing to non availability of raw material i.e. Sugar-Cane and lower realisation of Finished Products. Therefore, Company is not in a position even to service its debts and could not pay Interest and Instalments to Financial Institutions.

The Company has incurred cash losses during past 2 Years. Further the Equity Shares of the Company were infrequently traded in past years.

Therefore, Board recommend the decision of delisting of equity shares of the Company from dealing on the Stock Exchanges as per SEBI guidelines. However, the Equity Shares of the Company will remain Listed at Regional Stock Exchange.

None of the Directors are interested or concerned in the resolution.

For and on behalf of the Board
Girdharilal Sugar And Allied Industries Limited

RAJESH AGRAWAL
Chairman & Managing Director

DATE : 29.06.98

PLACE: INDORE

Registered Office :-

Narmada Nagar,

Village - Ghatwa, Tehsil - Thikri,

Distt. - Khargone (M.P.)

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting before you the 9th Annual Report of the Company alongwith the amended audited accounts for the year ended 31/03/98.

FINANCIAL HIGHLIGHTS

	1997-98 (Rs.in lacs)	1996-97 (Rs.in lacs)
Sales	2318.92	2354.54
Gross Profit before Interest & depreciation	219.23	423.05
Interest & Financial Exp.	1231.77	651.38
Depreciation	202.26	201.28
Net Loss	1214.80	429.61
Less: Previous year adjustment	2.07	2.34
Add: Provisions for Doubtful Advances	229.52	—
Add/Less: Brought forward balance	370.26	57.01
Balance carried to Balance Sheet	1812.51	370.26

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

During the year under consideration the company has achieved turnover of Rs.2318.92 Lacs as against Rs. 2354.54 Lacs in the previous year. The net loss for the year after interest and depreciation is Rs. 1214.80 Lacs as compared to net loss of Rs. 429.61 Lacs in the previous year.

The loss for the year is mainly on account of lower crushing of only 1 Lac MT sugarcane as against 1.88 Las M.T. of sugarcane crushed in the previous year. The lower utilisation of targeted capacity is mainly on account of lack of timely availability of working capital for making cane payment to farmers who have diverted huge quantity of sugarcane in the neighbouring area. Due to lower crushing of sugarcane the company had incurred huge loss inspite of better and higher realisation of sugar and molasses in comparison to last year.

The company is pursuing with State Bank of India to extend timely support for the season 1998-99 and expedite their cooperation in the matter.

Recently the bank had issued guarantee in favour of Govt. of India against sugarcane development fund assistance. The company expects to avail disbursement of first instalment of SDF Loan of Rs. 77.17 Lacs which will help the company in expediting its on going cane development programme. Looking to the present crop pattern area and yield, the company expects sufficient crop for its targeted requirement during the year 1998-99.

Though the average realisation of sugar was higher than the previous year, yet the company was expecting even higher realisation due to shortfall in production as against internal consumption for the last 2 years. However, due to unfavorable

import policy of Govt., huge quantity of sugar were imported in the country at nil rate of duty which checked price rise of sugar. However, again, with the recent imposition of Import Duty on sugar import as well as shortfall in production expected in the season 1997-98 specially in levy quota requirement, the price of sugar is expected to further go up during the year 1998-99.

The average sale price of Molasses was satisfactory during the year 1997-98.

DIVIDEND

Due to operational loss during the year, no dividend is declared.

PUBLIC DEPOSIT

The company did not invite or accept any deposit from the public during the year under section 58 A of the Companies Act, 1956.

FIXED ASSETS

During the year under review assets worth Rs. 8.27 Lacs only were acquired.

REFERENCE TO BIFR

Your Directors have to inform that your Company had become a "Sick Industrial Company" within the meaning of Section 3(I)(O) of Sick Industrial Companies (Special Provision) Act, 1985 and accordingly as required under Section 15 of the said Act, a reference would be made to Board for Industrial And Financial Reconstruction (BIFR) for the determination of measures which shall be adopted with respect to the company.

VOLUNTARY DELISTING

Your Directors inform you that due to continued losses in the Company for the last few years, the Company has become a Sick Company. Moreover, its shares are infrequently traded in the Stock Exchanges. The Company has therefore, requested Stock Exchanges other than the Regional Stock Exchange for delisting its shares as per SEBI Guidelines.

DIRECTORS

Shri G.R. Joshi and Shri M.S. Bidasaria, Directors of the company retire by rotation and being eligible, offer themselves for reappointment. In view of the valuable contribution made by Shri G.R. Joshi and Shri M.S. Bidasaria for the progress of the company, the Board of Directors of your company recommended to the shareholders to re-appoint Shri G.R. Joshi and Shri M.S. Bidasaria as Directors of the company.

PARTICULARS OF EMPLOYEES

A statement pursuant to the provision of Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 is appended and forms part of this

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report.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 9th General Meeting and being eligible, offer themselves for reappointment. The Directors recommended for approving reappointment of M/s. M. Mehta & Company, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

The Company has installed efficient equipment for energy conservation for electrical energy saving as well as fuel saving.

The plant & machinery as well as manufacturing process conforms to the latest technology and trend in the industry. The above measures would lead to all round saving in cost

and improved performance of the plant.

The information required under section 217(i)(e) of the Companies Act, 1956 read with Companies (disclosure of particulars in the report of the Board of Directors) Rules, 1988 with respect to these matters is appended here to and form part of this report.

ACKNOWLEDGEMENT

Your Directors acknowledge with gratitude the support by the Company from financial institutions, Banks, Union and State Governments, Farmers and the Employees.

For and on behalf of the Board
Girdharilal Sugar And Allied Industries Limited

DATE : 17.08.98

RAJESH AGRAWAL

PLACE : INDORE CHAIRMAN & MANAGING DIRECTOR

ANNEXURE TO THE DIRECTORS REPORT

Statement pursuant to Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of Employees) Rules, 1975 and forming part of this Report.

A) Employed throughout the year and in receipt of remuneration aggregating not less than Rs. 300000/- per annum

No.	Name	Age (Yrs.)	Designation	Qualification	Remuneration (Rs.)	Experience (Yrs.)	Date of Commence- ment of Employment	Previous Employment
1.	Mr.Rajesh Agrawal	35	Chairman & Managing Director	B.Com., M.B.A.	918256	11	1.4.96	-

B) Employed for part of the year and in receipt of remuneration aggregating not less than Rs. 25,000/- per month.

NONE

Note :

- Gross Remuneration includes Salary, HRA, Employer's contribution to PF & provision for gratuity and cost of perquisites to the Company.