

11TH ANNUAL REPORT 1999-2000



**ELEVENTH ANNUAL GENERAL MEETING
ON FRIDAY, 29TH SEPTEMBER, 2000
at
"NARMADA NAGAR" VILLAGE GHATWA
TEHSIL THIKRI, DIST. BARWANI M.P.
AT 11.00 A.M.**

BOARD OF DIRECTORS

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

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
THE NATIONAL STOCK EXCHANGE OF
INDIA, MUMBAI

AUDITORS

M/S. M. MEHTA & CO.,
CHARTERED ACCOUNTANTS
INDORE.

REGISTERED OFFICE & WORKS :

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

CORPORATE OFFICE :

107, CHETAK CENTRE, 1ST FLOOR
12/2, R.N.T. MARG,
INDORE - 452001 (M.P.)

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NOTICE

NOTICE is hereby given that the 11th Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Limited will be held on Friday, the 29th September 2000 at the Registered Office of the Company at Narmada Nagar, Village - Ghatwa, Tehsil - Thikri, Distt. - Barwani-(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 31,2000, 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 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 :-

4. To Consider the re-appointment of Dr.G.P.Tulsyan as Whole-Time Director of the Company and to Fix their remuneration.
To Consider and if thought fit, to pass with or without modification (s) the following resolution as Special Resolution:-
"RESOLVED THAT pursuant to the provisions of the sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with schedule XIII, as amended, of the Companies Act, 1956, approval of the Company be and is hereby accorded on re-appointment of Dr.G.P.Tulsyan as Whole-Time Director of the Company for further period of five years from 01/10/2000 to 30/09/2005 with payment of remuneration on the terms & Conditions set out as below :-
- I. **SALARY**
Salary of Rs.16,000/- P.M. (Rupees Sixteen Thousand Only) in the grade of Rs.16,000 - 3000 - 31000.
- II. **COMMISSION**
1% of net profits in addition to salary & perquisites subject to ceilings laid down in Section 198 and 309 of the Act.
- III. **PERQUISITES**
In addition to the above he shall be entitled to the following perquisites.

CATEGORY A

1. **Housing:-**
The Company Will provide Housing Facility to Dr.G.P.Tulsyan, Whole Time Director in the Factory Premises.
2. **Medical Reimbursement:-**
Expenditure incurred for self and family subject to a ceiling of one month's salary in a year or 3 month's salary over a period of 3 years.
3. **Leave Travel Concession :**
For self and family once a year in accordance with the rules of the company.
4. **Club Fees :**
Fees of clubs subject to a maximum of 2 clubs. This will not include admission and life membership fees.
5. **Personal Accident Insurance :**
For an amount the premium in respect of which shall not

exceed Rs.4,000/- per annum.

CATEGORY B

He shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling on remuneration as mentioned above.

- a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together are not taxable under the Income Tax Act, 1961.
- b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- c. Encashment of leave at the end of the tenure.

CATEGORY C

Provision of Car with Driver and Telephone at Residence, provided that personal long distance calls on telephone and use of car for private purpose shall be recovered by the Company.

5. To Consider the Appointment of Dr.S.R.Sharma as Director of the Company.

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

"Resolved that Dr. S.R.Sharma, who was appointed as an Additional Director w.e.f. 19th May,2000 and who in terms of Section 260 of the Companies Act,1956, read with Article 138 (2) of the Company's Articles of Association holds the Office only upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.

"Further resolved that pursuant to Sec.314 and other applicable provisions of the Companies Act, 1956, approval of the company be and is hereby accorded for payment to Dr. S.R. Sharma, consulting fees not exceeding Rs. 5000/- p.m. and reimbursement of actual out-of-pocket expenses towards travelling/conveyance/boarding etc.

By Order of the Board

Girdharilal Sugar And Allied Industries Limited

DATE : 29/08/2000

RAJESH AGRAWAL

PLACE: INDORE

Chairman & Managing Director

Registered Office :-

Narmada Nagar, Village - Ghatwa,
Tehsil - Thikri, Distt. - Barwani (M.P.)

NOTES:-

1. Members entitled to attend and vote at the Meeting are also entitled to appoint a proxy to attend and vote at the Meeting in their 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 Wednesday, the 27th September,2000 to Friday, the 29th September, 2000 (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.

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.****ITEM NO. 4**

Dr.G.P.Tulsyan was appointed Additional Director by the Board of the Company on 02/07/94 and Confirmed as Director by the Shareholders of the Company in their Annual General Meeting held on 25th September, 1995.

The Board of Directors in their meeting held on 28th November, 1995 had appointed Dr.G.P.Tulsyan as Whole-Time Director of the Company which was confirmed by the Shareholders in their Annual General Meeting held on 27th July, 1996 for a period of 5 years i.e. from 01/10/95 to 30/09/2000 and fixed the remuneration. The remuneration of Dr. G.P.Tulsyan, Whole-Time Director of the Company are within the limits prescribed in part II of the schedule XIII of the Act.

The term of appointment of Dr.G.P.Tulsyan as Whole-Time Director of the Company is going to be expired on 30/09/2000. Looking to Dr.G.P.Tulsyan's experience, dedication and hard work, the Board of Directors recommends his re-appointment as Whole-Time Director of the Company for further period of five years from 01/10/2000 to 30/09/2005.

A copy of terms and conditions of appointment of Dr.G.P.Tulsyan as approved by the Board of Directors in their meeting held on 19.05.2000 is available for inspection by the Members at the Registered Office of the Company between business hours on any working days and will also be available for inspection at the forthcoming Annual General Meeting. The Directors recommend the resolution for adoption.

None of the Directors except Dr.G.P.Tulsyan may be deemed to be concerned or interested in the resolution.

ITEM NO.5

Dr.S.R.Sharma was appointed by the Board as an Additional Director of the Company with effect from the 19th May, 2000. Pursuant to Articles 138 of Memorandum and Articles of Association & Section 260 of the Companies Act, 1956. Dr.S.R. Sharma, holds Office only upto the date of the ensuing Annual General Meeting.

Dr.S.R.Sharma 62 years Old, M.Sc., P.H.D. is an Ex-Cane Commissioner of Madhya Pradesh & renowned Scientist in Agriculture Produces. He is having a wide and varied experience in Sugar Industry particularly in development of high yielding, disease free varieties of Sugarcane. He is also a very good administrator. Presently Dr.S.R.Sharma is Advisor to the Company.

The Board feels that his appointment as a Director of the Company would be beneficial and in the interest of the Company and therefore recommends that Dr. S.R.Sharma be elected as a Director on the Board of the Company. The Board also seek shareholders' approval for payment of consultancy fees and reimbursement of actual out-of-pocket expenses to Dr. S.R. Sharma subject to ceiling fixed in the resolution.

None of the Directors other than Dr.S.R.Sharma are concerned or interested in the resolution.

By Order of the Board

Girdharilal Sugar And Allied Industries Limited

DATE : 29/08/2000

RAJESH AGRAWAL

PLACE: INDORE

Chairman & Managing Director

Registered Office :-

Narmada Nagar, Village - Ghatwa,
Tehsil - Thikri, Distt. - Barwani (M.P.)

DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting before you the 11th Annual Report of the Company alongwith the audited accounts for the year ended 31/03/2000.

FINANCIAL HIGHLIGHTS

	1999-2000 (Rs.in lacs)	1998-99 (Rs.in lacs)
Sales	1471.64	1739.13
Gross Profit before Interest & depreciation	655.99	137.07
Interest & Financial Exp.	1022.46	1004.58
Depreciation	202.59	202.51
Net Loss	569.06	1070.02
Less: Previous year adjustment	0.04	0.00
	569.10	1070.02
Add/Less: Brought forward balance	2882.54	1812.52
Balance carried to Balance Sheet	3451.64	2882.54

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

During the year under consideration the company has achieved turnover of Rs.1471.64 Lacs as against Rs. 1739.13 Lacs in the previous year. The net loss for the year after interest and depreciation is Rs.569.10 Lacs as compared to Rs. 1070.02 Lacs in the previous year. The reduction in loss, inspite of lower sales, is due to higher production and consequential higher valuation of closing stocks.

Your Directors would like to inform that the Company has crushed 1.88 lac MT of Sugarcane during the year as against 1.4 lac MT crushed in the previous year, thereby achieving a higher production capacity of 46.91% as against 35.35% in the previous year. This was possible due to timely payment to Cane Farmers in the earlier years as well as Company's continued efforts in increasing the area of sugarcane cultivation. This year also, in absence of any working capital facility from Bank, the Company could manage its working capital requirement by way of continued persuasion and follow up with Central Govt. (Dept. of Sugar) for release of additional quota, by way of advance money received from some customers against supply of Sugar by the Company and also by availing suppliers credit.

Your Directors have also pleasure in informing that the recovery of sugar was much higher in this year at 10.02% in comparison to abnormally low at 7.61% in the previous year due to deterioration of sugarcane quality and average recovery of 8.5% in a normal year. This was possible due to continuous efforts of the Cane Dept. who successfully persuaded the cane farmers to plant improved varieties of cane and follow better farm management techniques. The company's Cane Dept. is continuously putting its best efforts to educate the farmers for further improvement on quality of sugarcane and on farming techniques.

During the year the price of sugar was low due to import of sugar into the country on account of liberal Import Policy. The prices of Molasses remained low during this year also. The Govt., however, has taken some effective steps recently by imposing import duty on sugar and also proposes to relax the Rules of Monthly Quota release system for Free Sale Sugar. This will definitely help in better operation and performance in the coming years.

The Cane Dept. of the Company is aggressively implementing the Company's Cane Development Programme which got a boost with the release of soft term loan of Rs.50.00 lacs to the Company by Govt. of India (SDF) during the year. The Company is consistently trying to improve on production process and reduce costs and expenses wherever possible, to improve the bottomline. Presently the Company do not have any working capital arrangement with the Bank. Your Directors are trying to tie-up working capital requirements with existing/new Banks.

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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 the company acquired assets worth Rs. 12.54 Lacs including capital work in progress of Rs. 10.86 lacs.

REFERENCE TO BIFR

A reference in Form 'A' under section 15 of Sick Industrial Companies Act, was made to BIFR last year, based on audited Accounts for the year ended 31/3/1999, for determination of measures which shall be adopted with respect to the company. The said reference is pending before Hon'ble BIFR.

DIRECTORS

During the year IFCI had withdrawn their nomination of Shri Rakesh Kapoor on the Board of the Company and nominated Shri S.K. Singhai in his place.

Shri G.R. Joshi, Director of the Company retire by rotation and being eligible, offer himself for reappointment. In view of the valuable contribution made by Shri G.R. Joshi, the Board of Directors of your company recommend re-appointment of Shri G.R. Joshi as Director of the company.

The term of appointment of Dr. G.P. Tulsyan, wholetime Director of the Company will be expiring on 30/9/2000. In view of Dr. Tulsyan's experience and valuable contribution made to the company, the Board of Directors recommend reappointment of Dr. G.P. Tulsyan as Wholetime Director of the Company for further period of 5 years from 1/10/2000 to 30/09/2005.

Your Directors also recommends appointment of DR. S.R. Sharma as Director of the Company. Dr. S.R. Sharma who is being appointed as an Additional Director, has wide experience in Sugar Industry and he has already consented his appointment on the Board of the Company. The company will be immensely benefited from Dr. S.R. Sharma's experience.

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 report.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 11th 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.

AUDITORS REPORT

Your Directors would like to clarify Auditor's Qualification in Para 5 of their Report, as follows:-

- i) The Auditors have drawn attention on the matter of Stocks and suit filed by the Bank which is properly dealt in and explained in Note No. 5(a) & 5(b) of Schedule-S.
- ii) Similarly, no provision of interest on working capital, on the demand loan and on the unsecured loans has been explained vide Note No. 8 (a), (b), (c) of the Schedule-S.
- iii) Regarding change in the method of valuation of finished goods, your Directors may inform that the Company has followed Mandatory revised accounting standard (AS-2) "Valuation of Inventories", issued by the Institute of Chartered Accountants of India. This is also explained in Note No. 9 of the Schedule S.

Y2K STATUS

The Rollover into the new Millennium for your Company was smooth and troublefree. The Company has taken preventive steps and acquired new improved Software and Hardware, wherever necessary. As a result, all Computer Systems have performed satisfactorily from 1.1.2000 and no disruption due to any Y2k problem has arisen so far.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING/OUT GO

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, Union and State Governments, Farmers and the Employees.

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

RAJESH AGRAWAL

DATE : 19/05/2000 CHAIRMAN & MANAGING DIRECTOR
PLACE : INDORE

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. 6,00,000/- per annum

No.	Name	Age (Yrs.)	Designation	Qualification	Remuneration (Rs.)	Experience (Yrs.)	Date of Commence- ment of Employment	Previous Employment
1.	Mr. Rajesh Agrawal	37	Chairman & Managing Director	B.Com., M.B.A.	912684	13	1.4.96	-

B) Employed for part of the year and in receipt of remuneration aggregating not less than Rs. 50,000/- per month.

NONE

Notes : 1. Gross Remuneration includes Salary, HRA, Employer's contribution to PF & provision for gratuity and cost of perquisites to the Company.