



**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES
LIMITED**

TWELFTH ANNUAL GENERAL MEETING
ON FRIDAY, 28TH SEPTEMBER, 2001
 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 R. KRISHNAMURTHI	-	(NOMINEE DIRECTOR, IREDA)
DR. S. R. SHARMA	-	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 12th Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Limited will be held on Friday, the 28th September, 2001 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, 2001, 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 M.S.Bidasaria, who retire by rotation and being eligible offers himself for reappointment.
3. To appoint the Auditors to hold office from the conclusion of the Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board
Girdharilal Sugar And Allied Industries Limited

DATE : 31.08.2001 **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 Monday, the 24th September, 2001 to Friday, the 28th September, 2001 (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.

By Order of the Board
Girdharilal Sugar And Allied Industries Limited

DATE : 31.08.2001 **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 are presenting before you the 12th Annual Report of the Company along with the audited accounts for the year ended 31/03/2001.

FINANCIAL HIGHLIGHTS

	2000-2001 (Rs.in lacs)	1999-2000 (Rs.in lacs)
Sales	2092.28	1471.64
Gross Profit before Interest & depreciation	210.08	655.99
Interest & Financial Exp.	1207.24	1022.46
Depreciation	203.12	202.59
Net Loss	1200.28	569.06
Less : Previous year adjustment	0.13	0.04
	1200.41	596.10
Add/Less :Brought forward balance	3451.64	2882.54
Balance carried to Balance Sheet	4652.05	3451.64

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

During the year under consideration the company has achieved turnover of Rs.2092.28 Lacs as against Rs.1471.64 Lacs in the previous year. The net loss for the year after interest and depreciation is Rs.1200 Lacs as compared to Rs.569 Lacs in the previous year.

During the year under review Madhya Pradesh witnessed a severe drought. The rainfall was much below normal specifically in the West Nimar Area, adjoining our factory, where sugarcane cultivation is done. Because of severe drought, both the availability of sugarcane as well as recovery percentage in it was badly affected.

Due to aforesaid reason the company was able to crush slightly lower sugarcane at 1.70 lac tons as against 1.88 lac Tons crushed in the previous year. Similarly, the recovery percentage which was higher at 10.02% in the previous year due to a number of measures implemented by the company, came down to 8.62% during the year due to drought condition.

In spite of aforesaid setback, your Directors are pleased to inform that the Company could manage to make timely payment to cane farmers, as in the earlier years. This was possible for the company even in absence of working capital facility from Bank, by arranging release of additional quota form Govt., by way of advance money received from some of the customers against supply of Sugar and also by availing suppliers credit.

Your Directors expect the monsoon to be normal in the current year. The Cane Department of the Company is also aggressively pursuing the procurement of good varieties of sugarcane. Due to aforesaid factors the Cane recovery percentage in the current year is expected to be better than the previous year.

Your Directors expect total de-control of sugar in the current financial year. Future trading in sugar is being allowed by the Govt. and the next logical step will be total de-control of sugar. The de-control may temporarily effect and reduce the realisation of sugar but it should stabilise in due course. The realisation price of Sugar was better in the year under review due to imposition of duty on sugar import. After de-control the Company will be able to freely sell sugar produced without any quota restriction and this will, therefore, ease the working capital crisis.

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

Your Directors may also inform that the company has submitted proposal for One Time Settlement of Dues to FIS and Banks. Such OTS Proposal which provides for waiver of substantial interest liability, if any, when accepted by all the FIS and Banks, will improve the bottomline of the company due to reduction in debt.

DIVIDEND

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

PUBLIC DEPOSIT

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

FIXED ASSETS

During the year under review the company acquired assets worth Rs.7.80 lacs as against Rs.12.54 lacs in the previous year.

REFERENCE TO BIFR

The Company's reference, made to BIFR based on audited Accounts for the year ended 31/03/2000, is pending before them. The Company however, understand that the Bank is pursuing recovery application filed before Debt Recovery Tribunal, Jabalpur against the company.

DIRECTORS

Shri M.S. Bidasaria, Director of the Company retire by rotation and being eligible, offers themselves for re-appointment. In view of the valuable contribution made by Shri M.S. Bidasaria the Board of Directors of your company recommend re-appointment of Shri M.S. Bidasaria as Director 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 report.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 12th General Meeting and being eligible, offer themselves for re-appointment. The Directors recommended for approving re-appointment of M/s.M. Mehta & Company, Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

AUDITORS REPORT

The Notes to the Accounts referred to in the Auditors' Report are self explanatory and are properly dealt with in Schedule 'Q' of the Annual Accounts and therefore, do not require any further comments under Section 217(3) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms :

- i. that in the preparation of the annual accounts, the

applicable accounting standards have been followed and there has been no material departure;

- ii. that the selected accounting policies were applied consistently and the directors 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 as at March, 31, 2001, and of the Loss of the company for the year ended on that date.
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the annual accounts have been prepared on a going concern basis.

CORPORATE GOVERNANCE

The Company has already constituted Audit Committee of Directors in accordance with provision of the Companies (Amendment) Act, 2000. It is also finalising the terms of reference and other matters relating to Audit Committee.

The other matter giving strength to corporate governance is also being reviewed/finalised by the company in consultation with auditors and corporate experts.

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(1)(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 : 31/08/2001

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.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	38	Chairman & Managing Director	B.Com., M.B.A.	915459	14	01.04.1996	-

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

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**INFORMATOIN REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULAR IN REPORT OF DIRECTOR) RULES, 1988.
ANNEXURE
FORM - A**

Form for disclosure of particulars with respect to conservations of energy.

	<u>31/03/2001</u>	<u>31/03/2000</u>		<u>31/03/2001</u>	<u>31/03/2000</u>
A. POWER & FUEL CONSUMPTION :			4. Fire Wood		
1. Electricity :			Quantity (M.Ts.)	100	200
a. Purchased			Total Amount (Rs.)	93,194	1,90,556
Unit KWH	3,17,359	1,84,640	Average Rate (Rs.)	931.94	952.78
Total Amount (Rs.)	19,00,080	12,25,604			
Average Rate / Unit (Rs.)	5.99	6.63	5. Ohter / Internal Generation		
b. Own Generation			(Please give details)		
i. Through Diesel Generator			Steam used for driving prime movers & used in process		
Unit KWH	48,010	38904	Quantity Bagasse (M.Ts.)	N.A.	N.A.
Unite Per Litre of Diesel Oil	2.32	3.20	Total Cost (Rs.)	N.A.	N.A.
Cost / Unit (Rs.)	8.18	4.36	Rate / Unit (Rs.)	N.A.	N.A.
ii. Through Steam					
Turbine / Generator			B. CONSUMPTION PER UNIT OF PRODUCTION :		
Unit KWH	37,84,680	39,74,760	Products (with) details		
Unit per Kg. of Baggasse	0.22	0.22	SUGAR		
2. Coal (Specify Quality and where used)			Unit (M.Ts.)	14646.500	18991.500
Steam Coal used in Boiler			Electricity (KWH)	21.67	9.72
Quantity (Tonnes)	N.A.	N.A.	Diesel (Litres)	1.41	0.64
Total Cost (Rs.)	N.A.	N.A.	Furnace Oil (Litres)	N.A.	N.A.
Average Rate (Rs.)	N.A.	N.A.	Coal (Specify Quantity) (M.Ts.)	N.A.	N.A.
3. Furnace Oil			Other (Specify)		
Quantity (K.Ltrs.)	N.A.	N.A.	a. Firewood (M.Ts.)	0.157	0.010
Total Cost (Rs.)	N.A.	N.A.	b. Bagasse (M.Ts.)	3.958	2.470
Average Rate (Rs.)	N.A.	N.A.			

Note : a. H.S.D. Oil consumed in Diesel Generator 20677 Litres Value Rs.392863/- .
b. Bagasse Consumed 57968 M.Ts.

FORM - B**1. CONSERVATION OF ENERGY :**

Bagasse generated out of cane crushing activities is being used by company for generatoin of power through steam turbine unit installed. Power thus generated is being used for captive consumption. Company has set up modern devices for saving energy.

2. TECHNOLOGY ABSORPTION AND RESEARCH AND DEVELOPMENT :

The company has put up technologically advanced modern sugar plant which will save energy and other input cost. Reserarch and development activities in the area of sugar production as well as sugar cane cultivatoin is going on continuously. Results there of is satisfactory.

3. IMPACT OF MEASURES TAKEN :

The above measures would lead to all round saving in cost and improved performance of the plant.

4. FOREIGN EXCHANGE

Earned : Rs. Nil

Outgo : Rs. Nil

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

DATE : 31/08/2001
PLACE : INDORE

RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR