

**21ST ANNUAL
REPORT 2009-10**

**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES LIMITED**

**TWENTYFIRST ANNUAL GENERAL MEETING
ON WEDNESDAY, 29TH SEPTEMBER 2010**

at

**45/47- A, INDUSTRIAL AREA NO.1, A.B.ROAD,
DEWAS (M.P.)- 455 001
AT 12.00 NOON**

BOARD OF DIRECTORS

SHRI RAJESH AGRAWAL	-	CHAIRMAN & MANAGING DIRECTOR
DR.G.P.TULSYAN	-	DIRECTOR
SHRI M.S. BIDASARIA	-	DIRECTOR
DR S.R.SHARMA	-	DIRECTOR

LISTING OF SHARES

**BOMBAY STOCK EXCHANGE LTD., MUMBAI
THE NATIONAL STOCK EXCHANGE OF
INDIA LTD., MUMBAI**

AUDITORS

**M/S.M. MEHTA & CO.
CHARTERED ACCCOUNTANTS
INDORE**

REGISTERED OFFICE :

**45/47- A, INDUSTRIAL AREA NO.1,
A.B.ROAD,
DEWAS (M.P.) - 455 001**

CORPORATE OFFICE :

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

CONTENTS

Notice of Annual General Meeting	1
Directors' Report	2
Auditors's Report	5
Balance Sheet	7
Profit & Loss Account	8
Schedule	9
Notes on Accounts	13
Cash Flow Statement	19
Balance Sheet Abstract	20

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.

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Ltd., will be held on Wednesday, the 29th September 2010 at the Registered Office of the Company at 45/47-A, Industrial Area No.1, A.B.Road, Dewas at 12.00 noon to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2010 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 Dr. S.R. Sharma, 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.

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 22nd September, 2010 to Wednesday, the 29th September, 2010 (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 : 30.08.2010
PLACE : INDORE

RAJESH AGRAWAL
Chairman & Managing Director

Registered Office :-
45/47-A, Industrial Area No. 1
A.B. Road, DEWAS (M.P.)

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting before you the 21st Annual Report of the Company along with the Audited Accounts for the year ended 31/03/2010.

FINANCIAL HIGHLIGHTS

	2009-2010 (12 months) (Rs. in lacs)	2008-2009 (9 months) (Rs. in lacs)
Interest & Others Receipts	322	1872
Gross Profit before Interest,		
Depreciation, Profit on sale of fixed Assets and exceptional items	195	107
Interest & Financial Expenses	51	20
Depreciation	1	70
Previous Year Adjustments	1	0
Profit for the year	144	17
Add : Profit on sale of Fixed Assets	0	1920
Less/Add : Exceptional Items	0	(371)
Less : Provision for Taxation	-9	(659)
Balance	153	907
Balance Brought forward from last year	515	(391)
Balance carried to Balance Sheet	668	516

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

The Company is consolidating its position, post sale of Sugar Mill in the previous year. During the year under consideration, the Company has achieved interest income of Rs.322 lacs as against sale proceeds and other income of Rs.1872 lacs in the previous year. The Gross Profit before interest and depreciation for the year is Rs.195 lacs as against Rs.107 lacs in the previous year. The Net Profit for the year after interest and depreciation is Rs.144 lacs as against Rs.17 lacs in the previous year. After considering exceptional items and provision of taxation, the balance profit works out to Rs.153 lacs (as against Rs.907 lacs in the previous year) which together with brought forward profit of Rs.515 lacs, aggregating to Rs.668 lacs, has been carried to Balance Sheet.

Your Directors are continuously observing the economic scenario and are eager to start new business module including export of agricultural produce etc. In view of incentives provided by various Governments to start Solar Power Project, your Directors had also decided to take part in a small 50 MW Solar Power Project at Rajasthan. However, with the changing scenario and the increased competitiveness, the same seems to be not working out properly. Similarly, your Company had earlier participated in Tenders of Government Sugar Mill in other States, however, the Govt. has not taken any decision so far, hence the same could not materialize. Your Director's is studying various opportunities available before taking any final decision at an appropriate time.

DIVIDEND

Due to financial prudence, no dividend is declared.

PUBLIC DEPOSIT

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

FIXED ASSETS

During the year, the company has purchased furniture and fixtures of Rs.1.35 lacs.

DIRECTORS

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

Shri Murari Prasad, a Director of the Company has resigned from the Board due to his personal reasons w.e.f.31/07/2010. The Board placed on record the valuable contribution made and services rendered by Shri Murari Prasad to the Company.

PARTICULARS OF EMPLOYEES

The statement pursuant to the provision of Section 217 (2A) of the Companies Act, 1956 and Companies (Particulars of

Employees) Rules, 1975 is not required since none of the employees has drawn not more than Rs.24,00,000/- per annum or Rs.2,00,000/- per month during the relevant year.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 21st General Meeting and being eligible, offer themselves for reappointment. The Directors recommend for approving reappointment of M/s. M. Mehta & Co., 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 "S" of the Annual Accounts. Your Directors may further add that the company was able to mutually settle old cane dues two parties and settled payment shown in the Profit & Loss account. Again, a sum of Rs. 20.14 was incurred for Solar Project Expenses which is shown under Miscellaneous expenditure in the Balance Sheet.

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 judgments 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' 2010, and of the Profit after extraordinary items of the company for the period 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 Audit Committee constituted earlier is working satisfactorily. The Committee is quite helpful in strengthening the internal control procedures, MIS and other statutory matters

During the period 2009-10 the Committee met 4 times.

Senior Executives of the Company, representatives from Statutory Auditors also attended the Committee Meeting, whenever necessary, to clarify the points being raised by the Committee Members.

The Company is continuously reviewing other aspects giving strength to the Corporate Governance in consultation with the Auditors and Corporate Consultants.

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

Since the Company has sold its Sugar Mill, these aspects are presently not applicable and will be complied in case of future investments.

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 hereto and form part of this report.

ACKNOWLEDGEMENT

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

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

DATE : 30.08.2010
PLACE : INDORE

RAJESH AGRAWAL
Chairman & Managing Director

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

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.24,00,000/- per annum

NONE

B) Employed for part of the year and in receipt of remuneration aggregating not less than Rs.2,00,000/- 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.

INFORMATION 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.

	31.03.10	31.03.09		31.03.10	31.03.09
A. POWER & FUEL CONSUMPTION :			4. Fire Wood		
1. Electricity :			Quantity (M.T.)	N.A.	N.A.
a. Purchased			Total Amount (Rs.)	N.A.	N.A.
Unit KWH	N.A.	56477	Average Rate (Rs.)	N.A.	N.A.
Total Amount (Rs.)	N.A.	316269	5. Other / Internal Generation		
Average Rate / Unit (Rs.)	N.A.	5.60	(Please give details)		
b. Own Generation			Steam used for driving prime movers & used in process		
i. Through Diesel Generator			Quantity Bagasse (M.T.)	N.A.	N.A.
Unit KWH	N.A.	22080	Total Cost (Rs.)	N.A.	N.A.
Unit per Litre of Diesel Oil	N.A.	1.83	Rate / Unit (Rs.)	N.A.	N.A.
Cost / Unit (Rs.)	N.A.	19.04	B. CONSUMPTION PER UNIT OF PRODUCTION :		
ii. Through Steam			Products (with) details		
Turbine / Generator			SUGAR		
Unit KWH	N.A.	N.A.	Unit (M.T.)		30206.50
Unit per Kg. of Bagasse	N.A.	N.A.	Electricity (Kwh.)		4.44
2. Coal (Specify Quality and where used)			Diesel (litre)		1.99
Steam Coal used in Boiler			Furnace Oil (Litres)	N.A.	N.A.
Quantity (Tonnes)	N.A.	N.A.	Coal (Specify Quantity) (M.T.)		N.A.
Total Cost (Rs.)	N.A.	N.A.	Other (Specify)		
Average Rate (Rs.)	N.A.	N.A.	a. Firewood (M.T.)		0.003
3. Furnance Oil			b. Bagasse (M.T.)		2.566
Quantity (K.ltrs.)	N.A.	N.A.			
Total Cost (Rs.)	N.A.	N.A.			
Average Rate (Rs.)	N.A.	N.A.			

Notes :- H.S.D. Oil consumed in Diesel Generator Nil (12088/-) Litres Value Rs.NII (Rs.420541/-).

ANNEXURE-FORM - B

- | | |
|--|----------------|
| 1. CONSERVATION OF ENERGY : | NOT APPLICABLE |
| 2. TECHNOLOGY ABSORPTION RESEARCH AND DEVELOPMENTS : | |
| 3. IMPACT OF MEASURES TAKEN : | |
| 4. FOREIGN EXCHANGE : i) Earned : Rs. NIL ii) Out go : Rs. NIL | |

for and on behalf of the Board

Girdharilal Sugar And Allied Industries Limited

RAJESH AGRAWAL

Chairman & Managing Director

DATE : 30.08.2010

PLACE : INDORE

AUDITORS' REPORT

To,
The Members,
Girdharilal Sugar And Allied Industries Limited,
107, Chetak Center R.N.T. Marg,
INDORE (M.P.)

1. We have audited the attached Balance Sheet of **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED, INDORE (M.P.)** as at **31st March, 2010** and the relative Profit & Loss Account and the Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
4. In our opinion, proper books of account as required by law, have been kept by the company, so far as appears from our examination of those books.
5. The Balance Sheet and Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
6. In our opinion the Balance Sheet and the Profit & Loss Account and the Cash Flow Statement dealt by this report are in compliance with the Accounting Standards referred to in Section 211 (3c) of the Companies Act 1956.
7. On the basis of written representation received from all the Directors of the Company and the information and explanation as made available, Directors of the Company do not prima-facie have any disqualification as referred to in clause(g) of Subsection 1 of the Section 274 of the Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with **Note No.7 towards old cane price dispute settlement and Note No.8 towards Solar Power Project Expenses** and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
 - a. In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2010
 - b. In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.

and

 - c. In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
- 9) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we further report that :-
 - (i) The nature of the company's business/activities during the year was such that clause (xii) (xiii) and (xiv) of the paragraph 4 of the companies (Auditors' Report) order 2003 are not applicable to the company.
 - (ii) (a) The company has maintained proper records showing full particulars, including quantitative details and unit wise situation of fixed assets.
 - (b) Physical verification of fixed assets was carried out during the year in accordance with the company's policy. In our opinion the frequency of verification of all the assets is at reasonable intervals having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical verification were noticed.
 - (c) During the year the company has not disposed off a substantial part of fixed assets.
 - (iii) The company does not have any stock during the year, hence the said clause does not apply.
 - (iv) (a) During the period the company has not taken any unsecured loan from companies listed in the Register maintained U/s 301 of the Companies Act, 1956.