

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LTD.

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting before you the 22nd Annual Report of the Company along with the Audited Accounts for the year ended 31/03/2011.

FINANCIAL HIGHLIGHTS

(Rs. in lacs)

PARTICULARS	2010-11	2009 -10
Sales, Interest and other receipts	505	322
Gross Profit before Interest & Depreciation	135	195
Interest & Financial Expenses	52	51
Depreciation	1	1
Previous Year Adjustments	10	1
Profit for the year	72	144
Less: Provision for Taxation	45	-9
Balance	27	153
Balance Brought forward from last year	668	515
Balance Carried to Balance Sheet	695	668

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

The Company is consolidating its position, post sale of Sugar Mill. During the year under consideration, the Company has achieved sales and interest income of Rs.505 lacs as against Rs.322 lacs in the previous year. The Gross Profit before interest and depreciation for the year is Rs.135 lacs as against Rs.195 lacs in the previous year. The Net Profit for the year after interest and depreciation is Rs.72 lacs as against Rs.144 lacs in the previous year. After considering exceptional items and provision of taxation, the balance profit works out to Rs.27 lacs (as against Rs.153 lacs in the previous year) which together with brought forward profit of Rs.668 lacs, aggregating to Rs.695 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. Local trading in commodities has been started in a limited way and the same will be aggressively pursued in the current year. Your Directors has also unsuccessfully conducted trading in the Derivative products such as future and options. In recent past the company had initiated effective steps to participate in Solar Power Project as well as in the tendering process of a Sugar mill in U.P. However, the same could not materialize due to govt. policy. Your Directors are studying various opportunities available before taking any final decision at an appropriate time. In the meantime, the funds has been deployed judiciously to earn interest.

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.0.48 lacs.

DIRECTORS

Sri M.S.Bidasaria, Director of the Company retire by rotation and being eligible, offer himself for reappointment. In view of the valuable contribution made by Sri M.S.Bidasaria, the Board of Directors of your company recommend re-appointment of Sri M.S.Bidasaria as Director of 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.60,00,000/- per annum or Rs.5,00,000/- per month during the relevant year.

AUDITORS

The Statutory Auditors M/s. M. Mehta & Company, Chartered Accountants retire at the conclusion of the 22nd 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.

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' 2011, and of the Profit after extraordinary items 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

A Report on corporate Governance is enclosed.

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

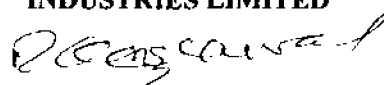
Since the Company has sold its Sugar Mill, these aspects are presently not applicable and will be complied in case of future investments.

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, Governments and the Employees.

FOR AND ON BEHALF OF THE BOARD
GIRDHARILAL SUGAR AND ALLIED
INDUSTRIES LIMITED



(RAJESH AGRAWAL)
CHAIRMAN & MANAGING DIRECTOR

Place : Indore

Date : 30/07/2011

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

**INFORMATION REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULAR IN REPORT OF DIRECTOR) RULES, 198**

ANNEXURE - FORM - A

NOT APPLICABLE

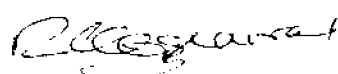
ANNEXURE - FORM - B

- | | | |
|-------------------------------|---|----------------|
| 1. CONSERVATION OF ENERGY : | } | NOT APPLICABLE |
| | } | |
| 2. TECHNOLOGY ABSORPTION | } | |
| RESEARCH AND DEVELOPMENTS : | } | |
| | } | |
| 3. IMPACT OF MEASURES TAKEN : | } | |

4. FOREIGN EXCHANGE :

Earned :	Rs. Nil
Out go :	Rs. Nil

**FOR AND ON BEHALF OF THE BOARD
GIRDHARILAL SUGAR AND ALLIED
INDUSTRIES LIMITED**



**RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR**

**PLACE : INDORE
DATE : 30/07/2011**

CORPORATE GOVERNANCE REPORT

The corporate vision is to become a highly efficient, competent and qualitative manufacturing, trading and exporting house by utilising best resources both in the domestic market as well as in the overseas market.

The governance is exercised as per best practice by following bodies :-

a) Board of Directors:- composition

<u>Name</u>	<u>Status</u>
Rajesh Agrawal	Chairman and Managing Director
Dr. G.P. Tulsyan	Non-Executive Director
Dr. S.R. Sharma	Non – Executive – Independent Director
M.S.Bidasaria	Non – Executive – Independent Director

b) Audit Committee - Composition

Dr. S.R. Sharma	Chairman
M.S.Bidasaria	Member
Dr. G.P. Tulsyan	Non-Executive Director

c) Shareholders / Investors Grievance Committee – Composition

M.S.Bidasaria	Chairman
Dr. S.R. Sharma	Member
Rajesh Agrawal	Member

Highlights of corporate governance matter are as follows :-

- I) The AGM for the year 2009-10 was held at the registered office on 29/09/2010.
- II) The quarterly results for the year 2010-11 were reported in time during last week of subsequent months.
- III) Secreterial Audit reports of a qualified practising company secretary were submitted to the exchange in time.
- IV) The company has resolved shareholders queries/complaints received during the year.

Code of Conduct

The Company has adopted a Code of Conduct for Directors and Senior Management. It is the responsibility of all employees and Directors to familiarise themselves with the Code and comply with the same.

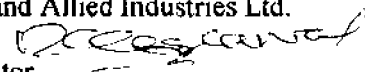
The Code includes provisions where the employees of the Company can voice their concerns on violation and potential violation of the Code in a responsible and effective manner.

Place : INDORE

Date : 30/07/2011

For Girdharilal Sugar and Allied Industries Ltd.

Managing Director



THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

INDUSTRY STRUCTURE AND DEVELOPMENT

The Company has sold its Sugar Mill in F.Y. 2008-09. Since then the company is exploring opportunities to start new business module including trading/export of agricultural produce. The company has also invested in 50 MW Solar Power Project at Rajasthan, in view of incentive provided by Government. However, the same could not be continued due to change in the govt.'s policy. This year the only income is through interest earned on Inter Corporate Deposits given by parking proceeds of sale of Sugar Mill.

Economic Backdrop and Financial Environment

Madhya Pradesh where the Company operates, is a production/processing hub of Soyabean based industries. The State produce around 70% of Soyabean in the country and exports Soya DOC to various countries which is used for poultry and cattle feed industry. Local consumption of Soya DOC is also increasing gradually. The Company would like to take advantages of these opportunities.

Outlook

The recessionary trend in the world is gradually disappearing and economies of USA, European countries and South East Asian countries are showing revival signals. This will give enough opportunities to the company for export of agricultural produces mainly Soya DOC. The Company is also trying to keep up with the pace of growth of the Indian Economy.

Opportunities

The Company is trying its best to revoke the suspension of trading of its shares to unlock the value of the Shares available to the Shareholders. The company is also trying to enhance the bottomline for shareholders benefit and overall growth.

Threats

The expected export of agricultural commodities may be affected due to inflationary trend in the country as well as strong rupee value.

Internal Control System and Adequacy

The Company has adequate internal control procedure commensurate with its size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements. The Company continuously upgrades these systems in line with best accounting practices. The company is benefited from having a team of professionals as promoter and independent directors who are capable of exercising various check and controls effectively.

Human Resources

The Company has impressive record of maintaining humand relation at all levels in past. The employees' relation remained cordial during the year. Due to the professional approach of the management, the company has never faced any unrest or discomfort in connection with employees relation.

Place : INDORE

Date : 30/07/2011

By order of the Board.

Rajesh Agrawal
Managing Director

CEO/CFO Certification

I, Mr. Rajesh Agrawal , Managing Director, certify to the Board that :

We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2011 and that to the best of their knowledge and belief :

These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

These statements together present a true and fair view of the company's affairs and comply with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year that are fraudulent, illegal or violative of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee

Significant changes in internal control during the year;

Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.

Place : INDORE

For Girdharilal Sugar and Allied Industries Limited

Date : 30/07/2011

Rajesh Agrawal
Managing Director