

**23rd Annual Report
2011-2012**

**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES LIMITED**

TWENTY THIRD ANNUAL GENERAL MEETING

ON SATURDAY, 29TH SEPTEMBER, 2012

AT

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

AT 12.00 NOON

BOARD OF DIRECTORS

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

LISTING OF SHARES

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

AUDITORS

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

REGISTERED OFFICE :

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

CORPORATE OFFICE :

107, CHETAK CENTRE, 1ST FLOOR,
12/2, R. N. T. MARG,
INDORE - 455 001 (M.P.)

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Shareholder are requested to bring their copy of the Annual General Meeting, as copies of the report will not be distributed at the Meeting.

NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Girdharilal Sugar And Allied Industries Limited, will be held on Saturday, the 29th September, 2012 at the Registered Office of the Company at 45/47-A Industrial Area No.1, Dewas (M.P.) 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 March 31, 2012 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. G.P. Tulsyan 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 and if thought fit, to pass with or without modification (s) the following resolution as Ordinary Resolution:-

"RESOLVED THAT Shri R.G. Agrawal who was appointed as an Additional Director on and with effect from 25th January, 2012 by the Board in terms of Section 260 of the Companies Act, 1956, read with Article 124 of Articles of Association of the Company, to hold the office as Additional Director until this Annual General Meeting, and for the appointment of whom the Company has received a notice u/s 257 of the Companies Act, 1956 from a member proposing his candidature for the office of the Director, be and is hereby appointed as Director of the Company whose period of office will be liable to retirement by rotation.

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, 2012 to Saturday, the 29th September, 2012 (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 OF THE COMPANIES ACT, 1956.

ITEM NO. 4

Shri R.G. Agrawal is having wide and varied experience in administration, commercial and other field. He was appointed by the Board as Additional Director of the Company w.e.f. 25/01/2012. Pursuant to Articles 124 of Memorandum and Articles of Association and section 260 of the Companies Act, 1956, Shri R.G. Agrawal holds office only upto the date of the ensuing Annual General Meeting.

A notice has been received from a member as required u/s 257 of Companies Act, 1956 proposing Shri R.G. Agrawal as a Candidate for the office of Director.

The Board feels that his appointment as Director of the Company would be beneficial in interest of the Company and therefore, recommends that Shri R.G. Agrawal be elected as a Director on the Board of the Company. The Board also seeks shareholders approval for above resolution.

None of the Director other than Shri R.G. Agrawal are concerned or interested in the resolution.

DATE : 31/05/2012

PLACE : INDORE

REGISTERED OFFICE :

45/47-A, INDUSTRIAL AREA NO.1

AGRA-BOMBAY ROAD, DEWAS - 455 001 (M.P.)

BY ORDER OF THE BOARD

Girdharilal Sugar And Allied Industries Ltd.

RAJESH AGRAWAL

CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting before you the 23rd Annual Report of the Company along with the Audited Accounts for the year ended 31/03/2012.

FINANCIAL HIGHLIGHTS**(Rs. in lacs)**

| PARTICULARS | 2011 -12 | 2010-11 |
|---|-----------------|----------------|
| Sales, Interest and other receipts | 155 | 505 |
| Gross Profit before financial cost & Depreciation & Exceptional Items | 89 | 135 |
| Financial Cost | 4 | 52 |
| Depreciation | 1 | 1 |
| Previous Year Adjustments/Exceptional Items | 15 | 10 |
| Profit for the year | 69 | 72 |
| Less: Tax Expenses | 56 | 45 |
| Balance | 13 | 27 |
| Balance Brought forward from last year | 695 | 668 |
| Balance Carried to Balance Sheet | 708 | 695 |

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

During the year under consideration, the Company has achieved sales and interest income of Rs.155 lacs as against Rs.505 lacs in the previous year. The Gross Profit before finance cost and depreciation for the year is Rs.89 lacs as against Rs.135 lacs in the previous year. The Net Profit for the year after finance cost and depreciation is Rs.69 lacs as against Rs.72 lacs in the previous year. After considering exceptional items and tax expenses, the balance profit works out to Rs.13 lacs (as against Rs.27 lacs in the previous year) which together with brought forward profit of Rs.695 lacs, aggregating to Rs.708 lacs, has been carried to Balance Sheet.

The Company were eagerly looking out for suitable business opportunity, post Sugar Mill sales. Your Directors are glad to inform that in view of vast experience of promoters in Soya & Dairy trade, the Company has taken strategic decision to invest in existing Soya & Dairy business of its associate concern M/s. Premier Industries (I) Ltd. To achieve this objective, the Company has already made an application to State Government in April, 2011, for making strategic investment in Premier Industries (I) Ltd., under the provisions of new Industrial Policy of the State Government and is awaiting their approval. Due to aforesaid factors, during F.Y. 2011-12, the Company has not made provisions for interest on loan to Premier Industries (I) Ltd. The interest received was, therefore, lower in this financial year in comparison to previous year, though the profit was almost at the same level, due to reduction in expenditure. This strategy will help your Company in saving time required for putting a greenfield Soya/Dairy business, though the Company is eager to put a greenfield Dairy Project in near future for which it is studying various parameters.

Your Directors are also glad to inform that after continued persuasion and full compliance by the Company, The Stock Exchange, Mumbai (BSE) had revoked the suspension in trading in the shares of the Company. Moreover, Central Depository Services Ltd., (CDSL) has also admitted the Company. This will enable the Shareholders to trade in shares at BSE in Demat format and to avail the economic opportunity for overall gain.

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.0.12 lacs.

DIRECTORS

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

Shri M.S. Bidasaria resigned from the Directorship of the Company and hence ceased to be a Director of the Company w.e.f. 25/01/2012. The Board placed on record the valuable contribution made and services rendered by Shri M.S. Bidasaria to the Company.

Your Directors also recommend appointment of Shri R.G. Agrawal as Director of the Company. Shri R.G. Agrawal has been appointed as an Additional Director w.e.f. 25/01/2012, and is having wide and varied experience in administration, commercial and other field and has already consented his appointment on the Board of the Company. The Company will be immensely benefited from Shri R.G. Agrawal's experience.

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 23rd 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 Notes to the 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' 2012, 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

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**

DATE : 31/05/2012
PLACE : INDORE

**RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR**

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

**INFORMATION REQUIRED UNDER THE COMPANIES
(DISCLOSURE OF PARTICULAR IN REPORT OF DIRECTOR) RULES, 1988**

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

DATE : 31/05/2012
PLACE : INDORE

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 |
| Ram Gopal Agrawal | Non – Executive – Independent Director |

b) Audit Committee - Composition

| | |
|-------------------|------------------------|
| Dr. S.R. Sharma | Chairman |
| Ram Gopal Agrawal | Member |
| Dr. G.P. Tulsyan | Non-Executive Director |

c) Shareholders / Investors Grievance Committee – Composition

| | |
|-------------------|----------|
| Ram Gopal Agrawal | Chairman |
| Dr. S.R. Sharma | Member |
| Rajesh Agrawal | Member |

Highlights of corporate governance matter are as follows :-

- I) The AGM for the year 2010-11 was held at the registered office on 30/09/2011.
- II) The quarterly results for the year 2011-12 were reported in time during last week of subsequent months.
- III) Secretarial 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.

DATE : 31/05/2012
PLACE : INDORE

By Order of board
For Girdharilal Sugar and Allied Industries Ltd.
Rajesh Agrawal
Chairman