

**25TH ANNUAL REPORT
2013-14**

**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES LIMITED**

**TWENTY FIFTH ANNUAL GENERAL MEETING
ON TUESDAY, 30TH SEPTEMBER 2014**

at

**45/47-A, INDUSTRIAL AREA NO.1, A.B.ROAD,
DEWAS (M.P.)- 455 001
AT 10.00 A.M.**

BOARD OF DIRECTORS

SHRI RAJESH AGRAWAL
SHRI R.G. AGRAWAL
DR S R SHARMA

- CHAIRMAN & MANAGING DIRECTOR
- NON EXECUTIVE - INDEPENDENT DIRECTOR
- NON EXECUTIVE - INDEPENDENT DIRECTOR

LISTING OF SHARES

BOMBAY STOCK EXCHANGE LTD., MUMBAI
THE 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,
A.B.ROAD,
DEWAS (M.P.) - 455 001
Website : www.gsail.in

CORPORATE OFFICE :

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

REGISTRAR & TRANSFER AGENT :

M/s. PURVA SHAREGISTRY (I) PVT. LTD.
9, SHIV SHAKTI INDUSTRIAL ESTATE
J.R. BORICHA MARG, LOWER PAREL (E)
MUMBAI - 400011
email : busicomp@vsnl.com

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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

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NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Giridharilal Sugar And Allied Industries Limited, will be held on Tuesday, the 30th September 2014 at the Registered Office of the Company at 45/47-A Industrial Area No. 1, Dewas (M.P.) at 10.00 am to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider and accept the Audited Balance Sheet of the Company as at March 31, 2014, Statement of Profit & Loss, Cash Flow Statement for the period ended on that date and the Auditors Report thereon and the Directors Report
- 2) To appoint a Director in place of Shri R.G. Agrawal (DIN-00359838) who retires by rotation and being eligible offer himself for reappointment
- 3) To consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT consent of the Company be and is hereby accorded to reappoint M/s. M. Mehta & Co., Chartered Accountants, Indore (Firm Regn. No. 000857C) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting."

"FURTHER RESOLVED THAT they may be paid the remuneration which may be decided by the Board of Directors of the Company or Committee thereof."

SPECIAL BUSINESS

- 4) To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution
"Resolved that pursuant to the provisions of section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule-V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, the consent of the Shareholders of the Company be and is hereby accorded to re-appoint Sh. Rajesh Agrawal as a Chairman & Managing Director of the Company for a period of three years from 01/09/2014 to 31/08/2017 and to pay a remuneration of Rs.12,00,000/- (Rupees Twelve Lac only) p.a. with yearly increment of 5% the details of which are given in the explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT the consent of the Shareholders of the Company be and is hereby also accorded to pay aforesaid remuneration as minimum remuneration as per Schedule V, of the Companies Act 2013, wherein any financial year the Company has no profits or inadequate profits."

"FURTHER RESOLVED THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorised to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable, to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the government departments, as may be required in this regard."

"FURTHER RESOLVED THAT the Board of Directors of the Company or any Committee thereof be and is hereby also authorised to amend, alter, modify or otherwise vary the terms and conditions of appointment of Shri Rajesh Agrawal Chairman And Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs.12,00,000/- (Rupees Twelve Lac only) per annum," with yearly increment of 5%."

- 5) To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION.

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any modification (s) or re-enactment thereof and subject to applicability of Cost Audit on the Company in terms of the Companies (Cost Records and Audit) Rules 2014, M/s. M. Goyal & Co. (Firm Registration No.000051) Cost Accountants, Jaipur appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending 31st March 2015, be paid the remuneration as decided by the Board of Directors of the Company or Committee thereof."

- 6) To consider and if thought fit, to pass, with or without modifications, the following resolution as an ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provision of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Dr. S.R. Sharma (DIN No 00130851), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (3) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company w.e.f. 30/09/2014 upto 28/09/2015."

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) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto
- 4) Shareholders are requested to intimate change in their addresses, if any, immediately.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 23rd September, 2014 to Tuesday, the 30th September, 2014 (both days inclusive).
- 6) 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.

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7) The Company is in the process of complying formalities in respect of e-voting facility to its members in terms of Listing Agreement in consultation with RT Agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM NO. 4

The term of Appointment of Shri Rajesh Agrawal is going to be expired on 31/05/2014. The Board may consider re-Appointment of him as Chairman & Managing Director for further period of three years from 01/09/2014 to 31/08/2017 subject to approval of Shareholders in the ensuing Annual General Meeting.

In terms of the provisions of the Companies Act and the Articles of Association of the Company and approved by the Audit Committee and the Board of Directors have, at their meeting held on 30/08/2014, re-appointed him as Chairman & Managing Director of the Company for a further period of three years with effect from September 01, 2014 on the current remuneration of Rs.12,00,000/- (Rupees Twelve Lac only) per annum with yearly increment of 5%. In case, the Company has no profits or its profits are inadequate, then the current remuneration shall be paid to him in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

Following are the details of the annual salary payable monthly, proposed to be paid to Shri. Rajesh Agrawal, Chairman & Managing Director:

Consolidated Salary, Perquisites and Performance Bonus etc. - Rs.12,00,000/- (Rupees Twelve Lac only) with yearly increment @ 5%.

In addition to the above, he shall be entitled to receive the following:

a) Gratuity as per the rules of the Company, but not exceeding his 4 months' salary for each completed year of service.

b) Encashment of leave at the end of tenure.

c) Provision of car for use in Company's business.

d) Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.

e) He shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

None of the Directors except Shri Rajesh Agrawal may be deemed to be concerned or interested in the resolution.

Interest of Directors / Promoters in all the items of Special Resolutions.

Shri Rajesh Agrawal and Shri R.G.Agrawal, Directors of the Company are concerned or interested in all the items of Special Business and resolutions in the capacity of being common Directors in both the companies. In addition, following shareholders of GSA L following under 'Promoters group' may also be concerned and interested in all the items of Special Business and Resolutions in terms of Provisions of Section 102 of The Companies Act 2013.

Sl. No.	Name of the shareholder	Total Shares held	
		Number (iii)	As a % of paid up capital (iv)
1	R. K. AGRAWAL	985300	8.06
2	R. K. AGRAWAL (HUF)	692000	3.55
3	G. RAJESH KUMAR (HUF)	902200	4.94
4	RIMLADEVI AGRAWAL	510000	2.62
5	SANGEETA AGRAWAL	432600	2.25
6	R. G. AGRAWAL	463600	2.38
7	VERTIX INVESTMENTS PVT. LTD.	2070000	10.63
8	PREMIER PROTEINS LIMITED	5005000	26.01
9	YUKTI INVESTMENTS PVT. LTD.	730100	3.76

ITEM NO. 5

The Board of Directors of the Company in their meeting held on 30/08/2014 approved the appointment and remuneration of Mr. S. M. Goyal & Co., Cost Accountants Jaipur upon the recommendation of Audit Committee to conduct the cost audit of the cost records of the Company for the financial year ending 31st March 2015, subject to the applicability of Cost Audit in terms of rules framed in this regard by the Ministry of Corporate Affairs.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

None of the Directors/key managerial personnel of the company or their relatives are in any way concerned or interested financially or otherwise, in the said resolution.

The Board recommends the Ordinary Resolution set out at item no. 5 of the Notice for approval of members.

ITEM NO. 6

The Company had, pursuant to the provisions of clause 49 of the Listing Agreement entered with the Stock Exchanges appointed Dr. S.R. Sharma as Non-Executive Independent Director.

Pursuant to the provisions of section 149 of the Act, which came into effect from April 1, 2014, every listed Public Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

The Audit Committee has recommended the appointment of Dr. S.R. Sharma, as Non-Executive Independent Director from 30/09/2014 upto 29/09/2019.

Dr. S.R. Sharma, Non-Executive Independent Director of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(1)(c) of the Act. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Act and the Rules framed thereunder for Appointment as Independent Director and he is independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the Appointment of this Director as Independent Director is now being placed before the Members for their approval.

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The terms and conditions of Appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

DATE: 30/09/2014

PLACE: INDORE

Registered Office :-

45-47-A Industrial Area No 1

A.D. Road, DEWAS, M.P.

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL

CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Members,

Your Directors are presenting before you the 25th Annual Report of the Company along with the Audited Accounts for the year ended 31/03/2014.

FINANCIAL HIGHLIGHTS

PARTICULARS	2013-2014 (Rs. in lacs)	2012-2013 (Rs. in lacs)
Sales, Interest & Others Receipts	6678	23
Gross Profit before financial cost & Depreciation & exceptional items		
Financial Cost	(-1144)	3
Depreciation	88	0
Profit for the year	49	1
Less: Tax Expenses	(-1279)	1
Balance	36	1
Balance Brought forward from last year	(-1243)	(-12)
Balance carried to Balance Sheet	706	708
	463	708

OPERATIONAL HIGHLIGHTS & FUTURE PROSPECTS

Your Directors are glad to inform that during F.Y. 2013-14, Board For Industrial & Financial Reconstruction (BIFR) vide its order dated 15/01/2014 has sanctioned merger of Premier Industries (I) Ltd. (Transferor Company) with our Company i.e. Girdhaul Sugar And Allied Industries Ltd. (Transferee Company) with all Assets and Liabilities at fair value with retrospective effect from 01/04/2013. State Government of M.P. had already approved merger of Premier Industries (I) Ltd. with Girdhaul Sugar And Allied Industries Ltd. in its High Powered Committee Meeting held on 27/02/2013 as reported in Director's Report for previous year.

The Company has therefore continued existing business of Premier Industries (I) Ltd. as a going concern. These business include:-

- A modern Dairy Plant for manufacturing Pure Ghee, Skim Milk Powder etc.
- A 250 TPD Soya Solvent Plant
- A 50 TPD Fable Oil Refinery
- A Jatropha plant

The Company has also complied with necessary formalities by filing papers with Registrar of Companies, Gwalior, M.P. who has approved such merger. Most of the other requisite formalities in terms of BIFR approval has either already been completed with or the Company is in the process of completing the same and hope to complete the balance formalities by the end of current financial year.

During the year the Company has processed 1220 MT of Soyabean seed and has refined 478 MT of crude oil in its refinery. Similarly the Company has processed 5089 KL of Milk during the year in its Milk Plant. The aforesaid figures are relevant to post merger with effect from 01/04/2013 as ordered by BIFR and hence not comparable with the previous year.

During the year under consideration, the Company's turnover and other receipts stands at Rs. 6678 lacs as against Rs. 23 lacs in the previous year. The net profit of the company, after considering interest, depreciation and deferred tax was Rs. (-1243) lacs as against Rs. (-1) lacs in the previous year and the said loss has been carried over to Balance Sheet.

Your Directors may inform that the Company's Banker has sanctioned in the current year a term loan of Rs. 10.00 crore for modernization of Plant & Equipments of both Soya and Dairy Division including Boiler etc. The modernization program is expected to be completed during the Financial Year and will result in cost saving in cost of production. The Company further expects to stabilize soya and dairy operations in the current year. All these measures will improve the bottomline of the Company in the near future.

Share Capital

In terms of BIFR Order dated 15/01/2014, the Company has since cancelled 6.85 Crore fully paid up Equity Shares of Rs. 10/- each aggregating to Rs. 68,50,00,000/- held by Premier Industries (I) Ltd. (transferor company) in the Company. Post cancellation, the Subscribed Capital of the company stands at Rs. 1859,00,00,000/- divided into 185,90,00,000/- Equity Shares of Rs. 10/- each. Similarly in terms of BIFR Order, the Company is required to issue shares to the shareholders of Premier Industries (I) Ltd. (transferor company) in the ratio of 1:10 (one share for every 10 share held by shareholders of Premier Industries (I) Ltd.). The Company has already announced the date of Bank Closure (Record Date) from Tuesday, the 23rd September, 2014 to Tuesday, the 30th September, 2014, after which the Shares will be issued in terms of BIFR Order.

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DIVIDEND

Due to financial prudency, 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 under review fixed Assets worth Rs.15.09 lacs was acquired besides fixed assets of Rs.2406.84 lacs acquired by way of merger as per BIFR Scheme. In addition the Company has incurred Rs.12.01 lac towards Capital Work in progress.

DIRECTORS

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

Shri Rajesh Agrawal was earlier appointed as Chairman & Managing Director of the Company for 5 years from 01/09/2009 to 31/08/2014. In view of valuable contribution made by Shri Rajesh Agrawal for the progress of the company and as recommended by the audit committee, the Board of Directors recommends reappointment of Shri Rajesh Agrawal as Chairman & Managing Director of the company for a further period of 3 years, with remuneration from 01/09/2014 to 31/08/2017.

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. Mehra & Company, Chartered Accountants retire at the conclusion of the 25th Annual General Meeting and being eligible offer themselves for reappointment. The Directors recommend for approving reappointment of M/s. M. Mehra & Co., Chartered Accountants as Statutory Auditors of the Company and to fix their remuneration.

AUDITORS REPORT

Your Directors would like to provide following clarification on points mentioned under emphasis of matter referred to in the Auditors Report.

- 1) As regards interest on loans given to related party, your Directors would like to clarify that the said related party is a sick company since 2002, registered with BIFR as Case No.449/2002 and are facing severe liquidity crunch. The said related company has approached to our company for waiver of interest for this financial year 2013-14 and for earlier financial year i.e. 2012-13. Your Directors in their meeting had considered the request and agreed for waiver thereof in view of precarious liquidity crunch in the said related company.
- 2) The facts and figures of merger of Premier Industries (I) Ltd. (the transferor company) with our company i.e. Girdharilal Sugar And Allied Industries Ltd. (the transferee company) are as per terms contained in BIFR Order dated 15/01/2014.
- 3) Various unpaid/undisputed liabilities relates to the transferor company i.e. Premier Industries (I) Ltd., which was sick industrial company since 1999. The company is of the opinion that it will enjoy waiver of interest on payment of those liabilities in view of its BIFR status and Relief Undertaking status which is likely to be granted by State Government of M.P. in due course in terms of BIFR Order.

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, 2014, and of the Loss 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

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, 1958 with respect to these matters is appended hereto and forms 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

PLACE: INDORE
DATE: 30.08.2014

RAJESH AGRAWAL
Chairman & Managing Director

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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 conservation of energy

	Current year	Previous year
A) POWER & FUEL CONSUMPTION		
a) Electricity		
i) Purchased Unit	1517030	0
Total Amount	13146463	0
Average Rate/Unit Paisa	866.59	0
ii) Own generation		
i) Through Diesel Generator Units	15596	11
Cost/Unit of Diesel oil	25308	0
Cost/Unit Paisa	15.75	0
ii) Through steam turbine/Generator Unit	N.A.	N.A.
Unit per unit of fuel oil gas cost/unit	N.A.	N.A.
Coal (Specify quality and where used)	5082.69	0
quantity (Tonnes MT) (BOD grade and slack)		
Total Amount	21614762	0
Average rate per MT	4252.62	0
Furnace oil		
Quantity (k. Liter)	144.86	0
Total Amount	7053277	11
Average Rate per KL	48690	0
i) Other/Industrial Generators		
Quantity	N.A.	N.A.
Total Cost	N.A.	N.A.
Rate/Unit	N.A.	N.A.
B). CONSUMPTION PER UNIT OF PRODUCTION		
(See note below) Standard (if any)		
Products (with details) Unit	NIL	NIL
Electricity KW/H/MT	NIL	NIL
Furnace oil Liter/MT	NIL	NIL
Coal (Specify Quantity) MT	NIL	NIL
Others (Specify) Diesel Unit/MT	NIL	NIL

NOTE: Production-wise consumption standards in respect of raw material processing refined oil, dairy products have not been segregated due to common services and changes in product mix.

FORM B

A) CONSERVATION OF ENERGY :

The company is in the process of acquiring energy efficient Boilers and other energy conservation devices in the current financial year for which finance have been tied up with Bank in terms of BIFR Package. Plans have been drawn to effect changes in identifying areas for electrical energy saving as well as fuel saving.

B) RESEARCH AND DEVELOPMENT :

Again in terms of BIFR Package, other crucial Plant & Machinery and consequential manufacturing processors are being upgraded to incorporate latest technology and trends in the industry.

C) IMPACT OF MEASURES TAKEN :

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

D) FOREIGN EXCHANGE :

Earned Rs. NIL
Outgo Rs. Nil

FOR AND ON BEHALF OF THE BOARD

DATE : 30.06.2014
PLACE : INDORE

RAJESH AGRAWAL
Chairman & Managing Director