

# **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**



**28th Annual Report  
2016-17**

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**GIRDHARILAL SUGAR AND ALLIED  
INDUSTRIES LIMITED**

45/47-A, INDUSTRIAL AREA NO.1,  
A.B. ROAD, DEWAS 455 001 (M.P.)  
Ph.: 07272 - 259505  
Website : [www.gsail.org](http://www.gsail.org)  
Email : [preind2002@yahoo.com](mailto:preind2002@yahoo.com)

## CORPORATE INFORMATION

<b>Board of Directors</b> <ol style="list-style-type: none"> <li>1. Mr. Rajesh Agrawal- Chairman &amp; Managing Director</li> <li>2. Mr. Tarachand Jain - Additional Director (Appointed with effect from 01.06.2017)</li> <li>3. Mr. Ram Gopal Agrawal- Non Executive Independent Director</li> <li>4. Mrs.Sangeeta Agrawal- Woman Director</li> </ol>	<b>Committees of Directors</b> <p><b>Audit Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Tarachand Jain - Chairman</li> <li>2. Mr. Ram Gopal Agrawal-Member</li> <li>3. Mr. Rajesh Agrawal-Member</li> </ol> <p><b>Nomination &amp; Remuneration Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Tarachand Jain - Chairman</li> <li>2. Mr. Ram Gopal Agrawal-Member</li> <li>3. Mr. Rajesh Agrawal-Member</li> </ol> <p><b>Stakeholders Relationship Committee</b></p> <ol style="list-style-type: none"> <li>1. Mr. Tarachand Jain - Chairman</li> <li>2. Mr. Ram Gopal Agrawal-Member</li> <li>3. Mr. Rajesh Agrawal-Member</li> </ol>
<b>Company Secretary &amp; Compliance Officer</b> Mr. Vishnu Dutt Sharma	<b>Registrar &amp; Share Transfer Agent</b> Purva Share Registry India Private Limited 9, Shiv Shakti, Ind. Estt, J R Boricha Marg, Near Lodha Excellus, Lower Parel (E) Mumbai - 400 011 <a href="http://www.purvashare.com">www.purvashare.com</a> Email : purvash@mtnl.net.in/busicom@gmail.com Tel.: 022-23016761
<b>Registered Office</b> 45/47-A, Industrial Area No.1 A.B.Road Dewas, Madhya Pradesh-455001 Website : <a href="http://www.gsail.org">www.gsail.org</a> Email : preind2002@yahoo.com Tel.: 07272-259505	<b>Auditors</b> <b>M/S. M. Mehta &amp; Co.</b> <b>Chartered Accountants, Indore</b>
<b>Bankers</b> Canara Bank	<b>Corporate Identification Number :</b> <b>L15424MP1989PLC005564</b>

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## NOTICE

**NOTICE** is hereby given that the Twenty Eight (28th) Annual General Meeting of the members of the Company will be held on Friday 29th September, 2017 at the registered office of the Company at 45/47-A, Industrial Area No.1, A.B.Road Dewas, Madhya Pradesh-455001 at 10.00 A.M. to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements for the year ended as at March 31, 2017, the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajesh Agrawal (DIN 00107009) who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Auditor and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, **Sunil Bandi & Co. Chartered Accountants, Indore (M.P.)** (Firm Registration Number 007419C), be and are hereby appointed as Statutory Auditors of the Company in place of **M/S. M. Mehta & Co. Chartered Accountants, Indore (M.P.)** (Firm Registration Number 000957C) whose tenure expires at the ensuing Annual General Meeting, at such remuneration plus reimbursement of out-of pocket, travelling and living expenses etc., as may be mutually agreed between the Board of Directors of the Company and the said Auditors.”

**“RESOLVED further that Sunil Bandi & Co. Chartered Accountants, Indore (M.P.)**, if appointed as the Statutory Auditors of the Company, shall hold office for a period of five years, from the conclusion of this Twenty Eight (28th) Annual General Meeting till the conclusion of Thirty Three (33rd) Annual General Meeting of the Company (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), Company

Secretary and Secretarial Officer of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

### SPECIAL BUSINESS :

#### 4. Re-appointment of Mr. Rajesh Agrawal (DIN: 00107009) as Executive Chairman and Managing Director of the Company.

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Ordinary Resolution

**“RESOLVED THAT** pursuant to recommendation of the Board, Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Rajesh Agrawal, as Executive Chairman and Managing Director (designated as “Executive Chairman”) of the Company for a period of Five years with effect from September 01, 2017 to August 31, 2022, as well as the payment of salary, commission and perquisites (hereinafter referred to as “remuneration”), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Rajesh Agrawal.

**“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 regards."

**"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 Mr. Rajesh Agrawal, Chairman and Managing Director, including the components of the above mentioned remuneration payable to him subject to the overall cap of Rs. 18, 00,000/- (Rupees Eighteen Lacs only) per annum with yearly increment of 5%.

**"RESOLVED FURTHER THAT** Mr. Rajesh Agrawal, Managing Director of the Company be and is hereby authorized to sign, issue, to file documents as may be required with the various authorities".

#### **5. APPOINTMENT OF MR. TARACHAND JAIN (DIN:07837497) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Ordinary Resolution

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Tarachand Jain (holding DIN: 07837497), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from June 01, 2017 and whose office shall not be liable to determination by retirement of directors by rotation.

**RESOLVED FURTHER THAT** any of the Directors of the Company and Key Managerial Personnel of the Company, be and are hereby severally authorized to do all such acts, deeds and things, including signing and issuing letter of appointment and to complete all other formalities as may be required in this regard"

#### **6. CONFIRMATION OF REMUNERATION OF COST AUDITOR**

To consider and, if thought fit, to pass, 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 statutory modification(s) or reenactment thereof, for the time being in force), the Cost Auditors 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 March 31, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

FOR AND ON BEHALF OF THE BOARD

Place: DEWAS (M.P.)

Date: 28th August, 2017

**RAJESH AGRAWAL**

CHAIRMAN & MANAGING DIRECTOR

#### **NOTES**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. Proxies duly stamped and signed must be deposited at the company's registered office not less than 48 hours before the time for the holding the meeting.
2. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The relevant details as required by Regulation 27 of the Listing Regulation entered into with the Stock Exchanges, of persons seeking re-appointment/appointment as Directors under Item No. 2, to 6 of the Notice, are annexed hereto.
4. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of the business under Item nos. 2 to 6 is annexed hereto.
5. Members/ Proxies are requested to bring along with them Annual Reports being sent to them and should

- bring the attendance slip sent herewith, duly filled, in order to attend the meeting.
6. The Share Transfer Book and Register of Members of the Company will remain closed from 23rd September 2017 to 28th September, 2017 (both days inclusive) for the purpose of Annual General Meeting of the Company.
  7. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
  8. The Register of Director's Shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection at the venue to the Annual General Meeting of the company during the Annual General Meeting. The Register of Director's Share Holding is also available for inspection of the members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
  9. The Company has connectivity from the CDSL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Purva Shareregistry India Private Limited 9, Shiv Shakti, Ind. Estt, J R Boricha Marg, Near Lodha Excellus, Lower Parel (E) Mumbai-400 011
  10. To promote green initiative as per circular issued by Ministry of Corporate Affairs in 2011, Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.

#### Voting through electronic means

#### The Instructions for shareholders voting electronically are as under

- (i) The voting period begins on 09.00 A.M. Tuesday, 26th September, 2017 and ends on 5.00 P.M. Thursday 28th September, 2017. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday 22nd September, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iv) Click on Shareholders tab.
- (v) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (vi) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vii) Next enter the Image Verification as displayed and Click on Login.
- (viii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ix) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (DOB) (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>1) If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</p>

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your

password confidential.

- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xx) Note for Non Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

##### Item No. 2 - Brief profile of director, who retires by rotation and offers himself for re-appointment.

Shri Rajesh Agrawal, aged about 54 years is the Chairman & Managing Director of the Company. He is one of the Promoters of the company. He is Commerce graduate and MBA from Devi Ahilya Vishwavidhyalaya, Indore and having more than 26 years of rich experience in the field of Business Management and forming the policies relating to Marketing and Human Resource Development.

He also holds Directorship in our Promoter Group Company Premier Proteins limited, since 1987.

None of the Directors, except Shri Rajesh Agrawal and Smt. Sangeeta Agrawal or their relatives is in any way concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolutions under Item No. 2 to be passed as an ordinary resolution

##### Item No.3- This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

As per the provisions of the Companies Act, 2013 ("the Act"), no listed company shall appoint an audit firm (including its affiliate firms) as auditors for more than two terms of five consecutive years. The Act also provided for additional transition period of three years from the commencement of the Act i.e. 1st April, 2014. M/ M. Mehta & Co. (along with its network Firms) have completed period of ten years and will also be completing the additional transition period of three years at the conclusion of the forthcoming Annual General Meeting.

Accordingly, the term of the present Auditors, M/s M. Mehta & Co. (taken together with its network firms) expires at the conclusion of the forthcoming Annual General Meeting. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s M. Mehta & Co. and its network Firms during their association with the Company as its auditors.

For the purpose of appointment of new Auditors, the Audit

Committee along with the Management invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of Dairy business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, recommended Sunil Bandi & Co. Chartered Accountant, Membership No. 007419C, Indore as the Company's new Statutory Auditor. The Board of Directors based on the recommendation of the Audit Committee proposes the appointment of the Sunil Bandi & Co., Chartered Accountant, Membership No. 007419C, Indore as the Statutory Auditors of the Company to the Members for their approval.

If approved by the Members, the appointment of Sunil Bandi & Co., Chartered Accountants as a Statutory Auditor will be for a period of five years commencing from the conclusion of Twenty Eight Annual General Meeting till the conclusion of the Thirty three Annual General Meeting (subject to ratification of the appointment by Members at every Annual General Meeting held after this Annual General Meeting).

Sunil Bandi & Co., Chartered Accountants have confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommends the Resolution at Item No. 3 of the Notice for your approval. None of the Directors, Key Managerial Personnel and other relatives are concerned or interested in the Resolution at Item No. 3 of the Notice.

#### **As Special Business**

##### **Item No. 4**

The term of appointment of Shri Rajesh Agrawal is going to be expired on 31/08/2017. The board has consider reappointment of him as chairman and managing director for further period of five years from 01/09/2017 to 31/08/2022 subject to approval of shareholder in the ensuing Annual General Meeting.

In terms of the provisions of the Companies Act, and the Articles of Association of the Company, approved by the

Nomination and Remuneration Committee and the Board Of Directors have, at their meeting held on 29/05/2017, reappointed him as Chairman and Managing Director of the company for the further period of five years with effect from September 01, 2017 on the current remuneration of Rs 18,00,000/- (rupees Eighteen lakh only) per annum with yearly increment of 5%. In case the company has no profits or its profits are inadequate, then the minimum remuneration shall be paid to him in accordance with the provision of 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 and managing director:-

Consolidated Salary perquisites and performance bonus etc Rs 18, 00,000/- (Rupees Eighteen lakh 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 half a month's salary for each completed year of service.
- b) Encashment of leave at the end of tenure.
- c) Provision of car for use on Company's business.
- d) Free landline telephone facility at residence along with free mobile telephone facility long distance personal calls to be recovered by 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 Smt. Sangeeta Agrawal may be deemed to be concerned or interested in the resolution.

##### **Item No. 5**

##### **Ordinary Resolution**

Shri Tarachand Jain(DIN: 07837497) was appointed as an Additional Director w.e.f. June 01, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013 the above director holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received request in writing from a member of the company proposing Shri Tarachand Jain candidature for appointment as Director of the Company in accordance with the

provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. The Board feels that presence of Shri Tarachand Jain on the board is desirable and would be beneficial to the company and hence recommend resolution No. 5 for adoption.

In order to comply with the provisions of Section 149(4), (10) & (11) and 152(6)(e) of the Companies Act, 2013 and as per the Listing Compliances, It is proposed to formally appoint Shri Tarachand Jain to hold office for 5 (five) consecutive years for a term up to conclusion of the 32th Annual General Meeting of the Company in the calendar year 2021. It may be noted that Shri Tarachand Jain has given a declaration under Section 149(7) of the Companies Act, 2013 that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.

Further, in the opinion of the Board also, he fulfills the conditions specified in the Companies Act, 2013 for such an appointment. It may also be mentioned that none of the other Directors (other than Shri Tarachand Jain) /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

#### Item No. 6

The Board, on the recommendation of the Audit Committee,

Place: DEWAS (M.P.)  
Date: 28th August, 2017

has approved the appointment and remuneration of the Cost Auditor M/s M. Goyal & Co., Cost Accountant (Firm Reg. No. 000051) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018, the audit fees will be 35000 /- Including .Service Tax (Rupees Thirty Five Thousand Only).

In accordance with the provisions of Section 148 of the Act 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.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board Recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Shareholders.

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL  
CHAIRMAN & MANAGING DIRECTOR

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

### (Pursuant to Clause 36 of the Listing Agreement)

Particulars	Date of Birth	Date of Appointment	Qualifications	Expertise in specific functional areas	Chairman ships / Directorships/ Memberships of committees of other Public Companies
Shri Rajesh Agrawal	03/03/1963	08.02.1993	B.Com, MBA	Business Management	Premier Proteins Limited
Shri Tarachand Jain	29/10/1961	01.06.2017	B.Com, CA Inter	Financial Management & Marketing	-

**DIRECTOR'S REPORT**

Dear Shareholders,

Your directors are pleased to present the Twenty Eight (28th) Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2017.

**1. Financial Highlights**

The highlights of the financial results of the Company for the year ended 31st March, 2017 is summarized below

( ₹ in Lacs)		
Particulars	2016-2017	2015-2016
Sales, Interest and other receipts	10945	10452
Gross Profit before financial cost & Depreciation & Exceptional Items	409	633
Financial Cost	256	243
Depreciation	111	98
Exceptional Items	143	-
Profit for the year	185	292
Less: Tax Expenses	106	73
Balance	291	219
Balance brought forward from last year	1007	788
Balance Carried to Balance Sheet	1298	1007

**2. Operational Highlights & Future Prospects**

Your Directors, had in the last Report, informed the Members that the Company has completed its modernization-cum-expansion program at a cost of Rs.1340 Lacs. The said modernization program has resulted in saving in cost of production.

The net result of the current Financial Year was positive, mainly for Dairy Division. During the year under consideration, the Company's turnover and other receipts stands at Rs.10945 Lacs as against Rs.10452 Lacs in the previous year. The year ended with a profit of Rs.291 Lacs after considering interest, depreciation and adjustment for deferred tax as against profit of Rs.219 Lacs in the previous year.

In Dairy division the company has processed 26809 KI of Milk and 1010 Mt of S.N.F./Fat (including 11133 KI of Milk on job work basis) as against 22549 KI of milk and 75 Mt of S.N.F./Fat in the previous year (Including 14468 KI on job work basis) and has achieved a turnover of Rs.7831 Lacs as against Rs.4174 Lacs in the previous year. The turnover includes sale value of manufactured products, trading goods as well as processing receipts for job work done on behalf of other established parties. It may be stated that in order to encash the opportunity, the Company has also traded in liquid milk, besides manufacturing pure ghee, SMP and processing milk on behalf of other parties. Demand for dairy products was partly subdued in the flush season due to possible demonetization effect.

The company expects the dairy operations to be favorable in the forthcoming year. However, due to effect of demonetization as well as expected introduction of Goods and Service Tax, w.e.f. 01/07/2017, it is expected that the 1st half of the current year will see a tough time even for Dairy Industry and its operations may be subdued. However, the Company is optimistic that the 2nd half of the current year will be quite favorable in view of the fact that various legislation and measures taken by the Government for betterment of economy will settle by 2nd half of the year. The Company expects to achieve satisfactory performance by processing milk for self as well as on behalf of other reputed parties and also by trading in Dairy products including milk.

In the last report, your Directors had informed that the Soya operations including refinery was closed in November, 2015 due to continuous disparity in the last few years. However, the economics of Soya processing was visible by the start of Soya season in the year under review and as such the Company once again started processing soybean in November, 2016. However, the parity in Soya operations did not continue for long and the company had to once again close the Soyabean Plant by February, 2017. The Company may think of restarting its Soya operations in future only when the said operations become profitable. During the year, the Company had processed 9386 MT of Soyabean seed as against 15738 MT in the previous year. The Soya Division recorded a turnover of Rs.3114 lacs as against Rs.6278 lacs in the previous year.