

## **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)

<b>PARTICULARS</b>	<b>2010-11</b>	<b>2009 -10</b>
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**

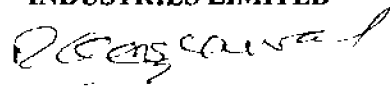
Since the Company has sold its Sugar Mill, these aspects are presently not applicable and will be complied in case of future investments.

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**

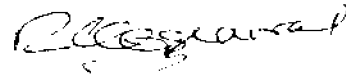
**ANNEXURE - FORM - B**

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

**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) 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.

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 human 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 31<sup>st</sup> 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  
Date : 30/07/2011

For Girdharilal Sugar and Allied Industries Limited

Rajesh Agrawal  
Managing Director



## 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, 2011** 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.

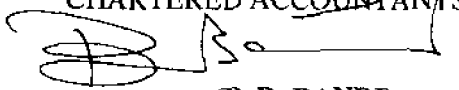


8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :-
- a. In the case of the Balance Sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2011
  - 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 at the end of 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.  
  
(b) In our opinion and according to the informations and explanations given to us, the company has granted loans to two parties listed in the Register maintained U/s 301 of the Companies Act, 1956 and the terms & conditions on which such loans were given are not prima-facie prejudicial to the interest on the company and the rate of interest wherever applicable as per terms and conditions and the repayment of such loans are as stipulated. The outstanding balance of loan given at the end of the year as well as maximum outstanding was Rs 191583977.
  - (v) According to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business, for purchase of raw materials, stores, components, plant & machinery, equipment and other assets.



- (vi) (a) Based on the Audit procedure applied by us and as per the informations and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the act are entered in the register maintained under that section.
- (b) In our opinion and according to the informations and explanations given to us, the company has not purchased any stores, raw materials or components from subsidiaries, firms or companies or other parties in which Directors are interested as listed in the register maintained under section 301 of the Companies Act, 1956 except sales and purchases were made from companies in which Directors are interested as listed in the register maintained under section 301 of the companies Act, 1956 at prices, rates which are reasonable having regard to prevailing market prices of such goods. 1956.
- (vii) The company has not accepted any deposit from public as defined in section 58-A of the Companies Act, 1956 and the rules framed thereunder. We were informed that no order has been passed by the Company Law Board, National Company Law Tribunal or any other court.
- (viii) In our opinion the internal audit system is reasonably commensurate with the size and nature of the business of the company.
- (ix) Cost records u/s 209(i)(d) of the companies act 1956 are not required to be maintained by the company.
- (x) In our opinion and according to the information and explanation given to us the company is regular in depositing Provident Fund dues, Income Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, Investors' Education and Protection Fund except following dues which are outstanding for a period more than six months from the date they became payable as on 01.10.2010 are Rs 1852010 for Commercial Taxes.
- (xi) The company's Net Worth at the end of the financial year is positive and the company has made cash profits during the current financial year and also in the immediately preceding financial year.
- (xii) The Company has not defaulted in the repayment of dues to the Financial Institutions and Banks.
- (xiii) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not taken any term loan during the year.
- (xv) Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, funds raised on a short term basis have been used for short term purpose only.
- (xvi) The Company has not made any Preferential Allotment of Shares to parties and companies covered in the Register maintained U/s 301 of the Companies Act, 1956.
- (xvii) The Company has not issued any Debentures during the year.
- (xviii) The Company has not raised any money by public issue during the year.
- (xix) To the best of our knowledge and belief and according to the information and explanations given to us no fraud on or by the Company has been noticed or reported during the financial year.

For M/S. M. MEHTA & CO.,  
CHARTERED ACCOUNTANTS



(P. R. BHANDI)

PARTNER

(M.No.16402)

Firm Reg. no. 000957C

PLACE : INDORE

DATE : 30/07/2011

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT MARCH 2011**

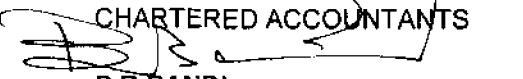
	SCHEDULE	AS AT	AS AT
		31.03.2011	31.03.2010
		(Rupees)	(Rupees)
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	A	194665000	194665000
RESERVES AND SURPLUS	B	83516317	80811296
<b>LOAN FUNDS</b>			
SECURED LOANS	C	0	58441487
<b>TOTALS</b>		<b>278181317</b>	<b>333917783</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	D	637737	589971
LESS: DEPRICIATION		355403	328029
NET BLOCK		282334	261942
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
a) SUNDRY DEBTORS	E	8936181	111056
b) CASH & BANK BALANCES		11697659	101666212
c) LOANS & ADVANCES		261962340	238129894
		282596180	339907162
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	F	5509504	10738592
<b>NET CURRENT ASSETS</b>		<b>277086676</b>	<b>329168570</b>
<b>DEFERRED TAX ASSETS</b>		812307	2473022
<b>MISCELLENOUS EXPENDITURE</b> (to the extent not written off or adjusted)		0	2014249
<b>TOTALS</b>		<b>278181317</b>	<b>333917783</b>

**NOTES ON ACCOUNTS**

**L**

SCHEDULE 'A' TO 'L' ATTECHED ARE AN INTEGRAL PART OF THE BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE ATTACHED  
 FOR M/S. M. MEHTA & COMPANY  
 CHARTERED ACCOUNTANTS

  
 P.R.BANDI  
 PARTNER  
 (M.No.16402)  
 Firm reg. no. 000957C

DATE :30/07/2011  
 PLACE : INDORE

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

  
 RAJESH AGRAWAL  
 CHAIRMAN & MANAGING DIRECTOR

  
 DR. S.R. SHARMA  
 DIRECTOR

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

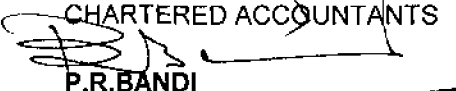
	<u>SCHEDULE</u>	<u>AS AT</u> <u>31.03.2011</u> <u>(Rupees)</u>	<u>AS AT</u> <u>31.03.2010</u> <u>(Rupees)</u>
<b><u>INCOME</u></b>			
SALES		18696625	0
INTEREST INCOME	G	31691367	32185007
MISCELLANEOUS RECEIPT		107437	0
		<b>50495429</b>	<b>32185007</b>
<b><u>EXPENDITURE</u></b>			
PURCHASE		18596375	0
EMPLOYEES REMUNERATION & BENEFITS	H	1214012	1142985
ADMINISTRATIVE EXPENSES	I	2619568	2944468
INTEREST & FINANCIAL EXPENSES	J	5222152	5097924
OTHER EXPENSES	K	962008	522103
LOSS ON F & O & SETTLEMENT CONTRACT		13652944	4802851
CANE PRICE DISPUTE SETTLEMENT		0	3392092
		<b>42267059</b>	<b>17902423</b>
PROFIT BEFORE DEPRECIATION		8228370	14282584
LESS : DEPRECIATION		27374	19683
PROFIT BEFORE PRIOR PERIOD EXPS.		8200996	14262901
ADD : PRIOR PERIOD ADJUSTMENTS/EXPENSES		0	113049
LESS : INCOME TAX FOR EARLIAR YEARS		1011860	0
PROFIT FOR THE YEAR BEFORE TAXES		7189136	14375950
LESS: PROVISION FOR TAXATION			
1) CURRENT		2823400	600000
2) DEFERRED (LIABILITY)		1660715	1507656
		<b>2705021</b>	<b>15283606</b>
BALANCE BROUGHT FORWARD		66811296	51527690
BALANCE CARRIED TO BALANCE SHEET		69516317	66811296

**NOTES ON ACCOUNTS**

SCHEDULE 'A' TO 'L' ATTECHED ARE AN INTEGRAL PART OF THE BALANCE SHEET

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M/S. M. MEHTA & COMPANY  
CHARTERED ACCOUNTANTS

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

  
**P.R.BANDI**  
PARTNER  
(M.No.16402)  
Firm reg. no. 000957C

  
**RAJESH AGRAWAL**  
CHAIRMAN & MANAGING DIRECTOR

DATE :30/07/2011  
PLACE : INDORE

  
**DR. S.R. SHARMA**  
DIRECTOR

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**  
**SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT**

	<u>31.03.2011</u> (Rupees)	<u>31.03.2010</u> (Rupees)
<b><u>SCHEDULE "A"</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b><u>AUTHORISED</u></b>		
27500000 EQUITY SHARES OF RS.10/- EACH	<b>275000000</b>	<b>275000000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
1,94,70,000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	<b>194700000</b>	<b>194700000</b>
LESS : ALLOTMENT MONEY IN ARREAR (OTHER THAN DIRECTORS)	<b>35000</b>	<b>35000</b>
	<b>194665000</b>	<b>194665000</b>
<b><u>SCHEDULE "B"</u></b>		
<b><u>RESERVES AND SURPLUS</u></b>		
CAPITAL RESERVE Balance as per last balance sheet	<b>14000000</b>	<b>14000000</b>
<b><u>PROFIT &amp; LOSS ACCOUNT</u></b> Balance as per Profit & loss Account	<b>69516317</b>	<b>66811296</b>
	<b>83516317</b>	<b>80811296</b>
<b><u>SCHEDULE "C"</u></b>		
<b><u>SECURED LOANS</u></b>		
SHORT TERM LOANS :-		
i) SHORT TERM LOANS FROM ORIENTAL BANK OF COMMERCE (SECURED AGAINST FIXED DEPOSITS))	<b>0</b>	<b>58441487</b>
	<b>0</b>	<b>58441487</b>

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**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LTD.**  
**SCHEDULE - D**  
**DEPRECIATION CHART - FIXED ASSETS**

PARTICULARS	AS AT 01.04.2010	GROSS-BLOCK			DEPRECIATION			NET-BLOCK		
		ADDITION DURING THE PERIOD	DEDUCTION DURING THE PERIOD	AS AT 31.03.11	AS AT 01.04.2010	FOR THE PERIOD	W / BACK DURING THE PERIOD	AS AT 31.03.11	AS AT 31.03.11	AS AT 31.03.10
OFFICE EQUIPMENTS	30037	0	0	30037	20914	1901	0	22815	7222	9123
COMPUTERS	144500	47766	0	192266	68632	11415	0	80047	112219	75868
VEHICLES	193351	0	0	193351	183683	0	0	183683	9668	9668
AIR CONDITIONER	22500	0	0	22500	6597	1424	0	8021	14479	15903
FURNITURE & FIXTURES	199583	0	0	199583	48203	12634	0	60837	138746	151380
<b>GRAND-TOTAL</b>	<b>589971</b>	<b>47766</b>	<b>0</b>	<b>637737</b>	<b>328029</b>	<b>27374</b>	<b>0</b>	<b>355403</b>	<b>282334</b>	<b>261942</b>
PREVIOUS YEAR	455146	134825	0	589971	308346	19683	0	328029	261942	146800

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**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

	<u>31.03.2011</u> (Rupees)	<u>31.03.2010</u> (Rupees)
<b>SCHEDULE "E"</b>		
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>		
<b>a) SUNDRY DEBTORS</b>		
(UNSECURED, CONSIDERED GOOD) :-		
OUTSTANDING FOR MORE THAN SIX MONTH	64056	111056
OUTSTANDING FOR LESS THAN SIX MONTH	8872125	0
	<b>8936181</b>	<b>111056</b>
<b>b) CASH &amp; BANK BALANCES</b>		
CASH IN HAND	91108	880083
BALANCE WITH SCHEDULED BANKS (IN CURRENT / DEPOSIT ACCOUNTS )	11606551	100786129
	<b>11697659</b>	<b>101666212</b>
<b>c) LOANS AND ADVANCES (UNSECURED CONSIDERED GOOD)</b>		
(RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED)		
PREPAID EXPENSES	1242	0
INCOME TAX REFUNDABLE (NET OF PROVISIONS)	5603319	9589374
ADVANCE EXCISE DUTY	224563	224563
SUNDRY DEPOSITS	312085	554145
LOANS (WITH INTEREST)	251865391	208865281
TRADE & OTHER ADVANCES	3955740	18896531
	<b>261962340</b>	<b>238129894</b>
	<b>282596180</b>	<b>339907162</b>
<b>SCHEDULE "F"</b>		
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A.CURRENT LIABILITIES</b>		
SUNDRY CREDITORS	1516543	2234029
OTHER LIABILITIES	3129856	7667208
CUSTOMERS CREDIT BALANCES	41474	88474
	<b>4687873</b>	<b>9989711</b>
<b>B.PROVISIONS</b>		
GRATUITY	821631	748881
	<b>5509504</b>	<b>10738592</b>

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

<b>SCHEDULE "G"</b>	<b>31.03.2011</b> <b>(Rupees)</b>	<b>31.03.2010</b> <b>(Rupees)</b>
<b>INTEREST INCOME</b>		
INTEREST RECEIVED FROM BANK (T.D.S.AT SOURCESS RS.863727)	<b>9592770</b>	<b>14696234</b>
INTEREST RECEIVED ON LOANS (T.D.S.AT SOURCESS RS.2209620)	<b>22098597</b>	<b>17488773</b>
	<b>31691367</b>	<b>32185007</b>

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**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

	<b>31.03.2011</b> <b>(Rupees)</b>	<b>31.03.2010</b> <b>(Rupees)</b>
<b>SCHEDULE "H"</b>		
<b>EMPLOYEES REMUNERATION &amp; BENEFITS :-</b>		
SALARY, WAGES & ALLOWANCES	1068368	972379
COMPANY'S CONTRIBUTION TO PF/FPF	40763	43912
STAFF WELFARE	9664	19760
LEAVE ENCASHMENT	2462	0
GRATUITY	82217	95229
BONUS	10538	11705
	<b>1214012</b>	<b>1142985</b>
<b>SCHEDULE "I"</b>		
<b>ADMINISTRATIVE EXPENSES :-</b>		
INSURANCE	0	13689
AUDITORS REMUNERATION	44120	44120
BOOKS & PERIODICALS	1500	80
CHARITY & DONATION	109100	112000
CONVEYANCE EXPENSES	132050	119998
DIRECTOR REMUNERATION AND BENEFITS	908258	902630
DIRECTOR SITTING FEES	12000	7000
ELECTRICITY CHARGES	109585	197758
LEGAL & PROFESSIONAL	224515	278286
LISTING FEE & SECRETERIAL EXPENSES	242940	187809
MISCELLENOUS OFFICE EXPENSES	62209	23971
POSTAGE & TELEGRAM EXPENSES	2473	3944
RATES, TAXES, LICENCE & FEES	2500	5960
STATIONERY & PRINTING EXPENSES	122240	117865
SUBSCRIPTION & MEMBERSHIP FEE	21665	21684
TELEPHONE, TELEX & FAX EXPENSES	145569	146051
TRAVELLING EXPENSES (DIRECTORS)	101298	262725
TRAVELLING EXPENSES (OTHERS)	37311	62693
VEHICLE RUNNING & MAINTENANCE	336660	420150
REPAIRS TO OTHERS	3575	16055
	<b>2619568</b>	<b>2944468</b>

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

	<u>31.03.2011</u>	<u>31.03.2010</u>
<b>SCHEDULE "J"</b>		
<b>INTEREST &amp; FINANCIAL EXPENSES</b>		
ON DEMAND LOAN	5217697	5086283
ON OTHERS	1066	0
	<b>5218763</b>	<b>5086263</b>
BANK COMMISSION & CHARGES	3389	11661
	<b>5222152</b>	<b>5097924</b>
<b>SCHEDULE "K"</b>		
<b>OTHER EXPENSES</b>		
COMMERCIAL TAX ON COMPLETED CASES	739855	0
PENALTY ON SALES TAX COMPLETED CASES	113093	0
SUNDRY BALANCE WRITTEN OFF (NET)	109060	522103
	<b>962008</b>	<b>522103</b>

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## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

### **SCHEDULE : "A" NOTES ON ACCOUNTS**

#### **PART I**

##### **(A) Notes on Accounts.**

1. In the opinion of the Managing Director, the current assets, loans and advances have a realisable value in the ordinary course of business, at least equal to the amount stated in the balance sheet and provision for all known liability have been made and not in excess of the amount reasonably necessary.

2. a) **CONTINGENT LIABILITIES :-**

Sr. No.	PARTICULARS	31/03/2011	31/03/2010
1)	Sales Tax Demand (Under Appeal)	<b>Rs.8.67 lacs</b>	Rs.8.67 lacs

b) Estimated amount of Capital contract .....Nil ..... Nil.

- 3 Balance of Sundry Debtors / Creditors / Advances / Customers Credit Balance are subject to confirmation.
4. Sundry Creditors includes Rs.Nil lacs due to Micro, small and medium Enterprises, to whom the companies owes dues, which are outstanding for more than 45 days as at the Balance Sheet Date.

Further, the Company has neither paid nor payable any interest to any Micro, small and medium Enterprises on the Balance Sheet date.

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

5. i) The Company has provided its Defined Benefit plans liability towards Gratuity based on the Simple Calculation provided under the Gratuity Act. The Company has not determined the liability as required as per revised AS-15, which was mandatory w.e.f. 01.04.2007. However, additional liabilities if any will be provided later on. The quantum of Additional liability is at present unascertainable .
- ii) As the Company has not separately invested any of its liability of Gratuity in any specific Govt. Bonds/Securities, hence the changes in Assets if any have also been not provided/adjusted.
- iii) Disclosures as required by Revised AS-15 have also been not given in view of notes (i) & (ii) above.
- iv) Provision has not been made for leave encashment benefits accrued to the employees. The same is accounted for on cash basis.

6 . In view of change in the government policy, the company has withdrawn from the solar power project and ate same has been trasferred to another party.



7. In accordance with Accounting Standard - 22 "Accounting for Taxes on income" issued by The Institute of Chartered Accountants of India, the company has accounted for the Deferred Tax as under :-

	31/03/11	31/03/10
<b>(A) DEFFERED ASSETS</b>		
i) Carried forward speculation loss	0	1728004
ii) Expenses which are Debited in book of A/c. But disallowed u/s 43B	853523	790517
<b>TOTAL</b>	<b>853523</b>	<b>2518521</b>
<b>(B) DEFFERED LIABILITY</b>		
i) On account of timing difference in treatment of Depreciation.	41216	45498
<b>TOTAL</b>	<b>41216</b>	<b>45498</b>
<b>Total (A-B)</b>	<b>812307</b>	<b>2473022</b>

8. The Company has not made any forward contract during the year.

#### 9. SEGMENT RESULTS

##### A. PRIMARY SEGMENT - BUSINESS SEGMENT

(Rs. in lac)

PARTICULARS	Others 31/03/2011	Others 31/03/2010
<b>REVENUE</b>		
1) External Sales & others	188.03	0.00
2) Interest Income	316.91	321.85
<b>Total Revenue</b>	<b>504.94</b>	<b>321.85</b>
<b>RESULTS</b>		
Profit before Interest, Depreciation, Taxation & Exceptional Items.	134.50	227.73
<b>Less :</b>		
Depreciation	0.27	0.20
Interest Expenses	52.22	50.98
Prior Year Expenses	10.12	32.79
<b>PROFIT BEFORE EXCEPTIONAL ITEMS</b>	<b>71.89</b>	<b>143.76</b>
Less/Add : Current tax	28.23	6.00
Less : Deferred TaxLiability / Assets	16.60	15.08
<b>NET PROFIT</b>	<b>27.05</b>	<b>152.84</b>
<b>OTHER INFORMATION</b>		
Segment Assets	2836.90	3446.56
Segment Liabilities	55.10	691.80
Capital Expend.	0.48	1.35
Depreciation	0.27	0.20
Non Cash Expenses other than depreciation	0	0.00

The Company has identified business segment as primary segments. The reportable business segment are trading sale and Interest Income Only (last year interest income only).

**B. SECONDARY SEGMENT INFORMATION - GEOGRAPHICAL SEGMENTS.**

The entire sales of the Company in previous year is in India, hence there is no reportable geographical segment.

10. EARNING PER SHARE	31/03/11	31/03/2010
a) Net Profit Attributable to Equity Share Holders (Before Extraordinary Items)	2705021	15283606
b) Weighted average number of Equity Shares	1,94,70,000	1,94,70,000
c) Basic/Diluted earnings per Shares (Rs.) (a/b) (Face Value Rs.10/- per Share)	0.14	0.78

**11. RELATED PARTY DISCLOSURE UNDER AS-18**

A) Name of related party and nature of related party relationship :-  
Premier Proteins Ltd., and Premier Industries (I) Ltd., are Companies in which the Chairman of the Company is interested as a Managing Director/Chairman of the Company.

B) Key Managerial Persons :- Mr. Rajesh Agrawal (Chairman)  
:- Dr. G.P. Tulsyan (Director)

Transaction with Group Companies and Related parties in which Chairman is interested :-

Sr. No.	PARTICULARS	Associated Premier Proteins Ltd.	Associated Premier Industries (I) Ltd.	Key Managerial Personal
i	Purchase/Sale of doc	98.25	185.96	0.00
		0	0.00	0.00
ii	Reimbursement of Expenses	0.53	0.22	0.00
		0.00	0.00	0.00
iii	Remuneration	0.00	0.00	9.49
		0.00	0	(9.52)
v	Loan Given	204.02	236.60	0.00
		(290.51)	(760.29)	0.00
v	Interest Received on Loan	37.64	119.33	0.00
		(29.19)	(85.31)	0.00
vi	Outstanding of Loan given	656.84	1259	0.00
		(321.23)	(1101.19)	0.00

Note: Figures in brackets related to previous year.

12. Directors Remuneration is as per resolution passed by the Shareholder and as per Schedule XIII of the Companies Act, as a minimum remuneration :-

	2010-11	2009-10
<b>(A) Managing Director</b>		
Salary	600000	600000
H.R.A	300000	300000
Gratuity Contribution	28846	28877
Company's Contribution to P. F.	9360	9360
Perquisites	11258	13472
<b>Grand Total</b>	<b>949464</b>	<b>951709</b>

13. Auditors Remuneration :-

PARTICULARS	2010-11	2009-10
Audit Fees	30000	30000
Tax Audit Fees	10000	10000
Service Tax	4120	4120

14. Additional information as required by part II, III & IV of Schedule VI of the Companies Act, 1956 are as under particulars of :-

a) **QUANTITATIVE INFORMATIONS:**

Particulars	Purchases		Sales	
	Qty. (mt)	Value (Rs in lacs)	Qty. (mt)	Value (Rs.In lacs)
Soya Doc	1002.250	185.96	1002.250	186.97
a) VALUE OF IMPORTS ON CIF BASIS			NIL	NIL
b) EXPENDITURE IN FOREIGN CURRENCY			NIL	NIL
c) VALUE OF IMPORTED MATERIAL CONSUMED			NIL	NIL
d) EARNING IN FOREIGN CURRENCY			NIL	NIL

15. Figures have been rounded off to nearest rupees.

16. Previous year figures have been regrouped, rearranged wherever considered necessary.

## **B) ACCOUNTING POLICIES AND PRACTICES**

### **1) GENERAL ACCOUNTING PRINCIPAL :-**

The financial statement are prepared under historical cost conventions on accrual basis and are in accordance with the requirements of the Companies Act, 1956 and generally complying with the mandatory accounting standards in force. Various accounting policies are applied and followed consistently except as otherwise stated.

### **2) FIXED ASSETS AND DEPRECIATION :-**

Fixed assets are stated at cost less depreciation. Cost includes cost of acquisition, installation charges and all costs incidental thereto. Depreciation is provided on straight line method as per the provision of the Companies Act, 1956 and on Plant & Machinery treating it as a continuous process plant.

### **3) INTANGIBLE ASSETS :-**

All Intangible Assets are measured at cost and amortized so as to reflect the pattern in which the assets economic benefits are consumed.

### **4) INVENTORIES :-**

The inventory of stores are valued at cost on FIFO basis. The finished goods, stock in process and molasses are valued at lower of production cost (including Interest on Term Loan) or net realisable value, as valued and certified by the Management.

### **5) SALES :-**

Sales are recognized on passing of property and after adjusting rebate and claims.

### **6) EXCISE DUTY :-**

Excise duty in respect of sugar produced is accounted at the time of removal from factory.

### **7) EMPLOYEES BENEFITS**

#### **a. Defined Contribution Plan:**

Company's contribution paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are charged to Profit & Loss Account. There are no other obligations other than the contribution payable to the respective authorities.

#### **b. Defined Benefit Plan :**

Company's liabilities towards gratuity are determined on the basis of simple calculation as per the Gratuity Act and Labour Act only. Leave encashment are accounted on payment basis.

### **8) PRELIMINARY EXPENSES :-**

Preliminary, share issue and cane development expenses are amortised over a period of 10 years.

### **9) TAXATION :-**

a) Tax liabilities of the Company is estimated considering the provisions of Income Tax Act, 1961.

b) Deferred Tax is recognised subject to the tax consideration of prudence on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period

### **10) PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :-**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as are result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are neither recognised nor disclosed in the Financial Statements.

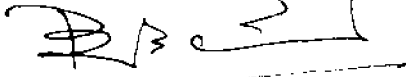
11) **BORROWING COST :-**

Borrowing cost that are attributable to the acquisition of qualifying assets are capitalised as part of the such cost till the said assets put to use. All other borrowing cost are charged to revenue.

12) **IMPAIRMENT OF ASSETS :-**

An Assets is treated as impaired when carrying cost of Assets exceeds its recoverable amount. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The Impairment loss recognised in Prior period is reversed if there has been a charge in the estimate of the recoverable amount.

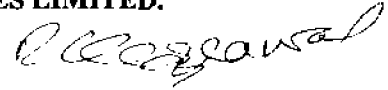
AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M/S. M. MEHTA & COMPANY  
CHARTERED ACCOUNTANTS



**P.R. BANDI**  
PARTNER  
(M.No.16402)  
Firm Reg. No. 000957C

DATE : 30/07/2011  
PLACE : INDORE

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



**RAJESH AGRAWAL**  
CHAIRMAN & MANAGING DIRECTOR



**DR. S. R. SHARMA**  
DIRECTOR



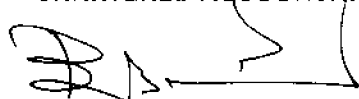
# GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

## CASH FLOW STATEMENT

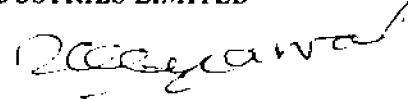
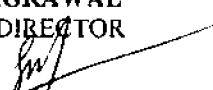
		(Rupees in Lacs)	
Sr. No.	PARTICULARS	2010-11	2009 - 10
A)	<b>Cash flow from Operating Activities</b>		
	Net Profit/(Loss) after Extraordinary Items	27.05	152.83
	Adjustments for :		
	Depreciation	0.27	0.19
	Interest	52.22	50.98
	Extraordinary Items & Deferred Tax Liabilities / Assets	54.95	(9.07)
	<b>Operating Profit before Working Capital Changes</b>	<b>134.49</b>	194.93
	Adjustments for :		
	Trade & Other Receivables	103.43	(115.10)
	Inventories	0	0.00
	Trade Payables	(42.26)	(249.38)
	<b>Cash Generated from Operations</b>	<b>195.66</b>	(169.55)
	Interest & Financial Exp. Paid	(52.22)	(50.98)
	Taxation	(28.23)	(6.00)
	<b>Net Cash from Operating Activities</b>	<b>115.21</b>	(226.53)
B)	<b>Cash Flow from Investing Activities :</b>		
	Inter Corporate Deposit & Pledge Loan	(584.42)	584.41
	Purchase of Fixed Assets & other Capital Expenditure	(0.47)	(21.48)
	<b>Net Cash use in Investing Activities</b>	<b>(584.89)</b>	562.93
C)	<b>Cash Flow from Financing Activities :</b>		
	Loans given	(430.00)	(959.92)
	<b>Net Cash use in Financing Activities</b>	<b>(430.00)</b>	(959.92)
	<b>Net Change in Cash And Cash Equivalents (A+B+C)</b>	<b>(899.68)</b>	(623.52)
	Cash & Cash Equivalents As At 1st April (Opening Balance)	1016.66	1640.18
	Cash & Cash Equivalents As At 31th March (Closing Balance)	116.98	1016.66

- Note :-
1. Figures in brackets represent cash outflows.
  2. Cash & Cash equivalents represent Cash & Bank
  3. Previous year figures have been rearrange & regrouped.

AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR M/S. M. MEHTA & COMPANY  
CHARTERED ACCOUNTANTS

  
**(P. R. BANDI)**  
PARTNER  
(M. No.16402)  
Firm Reg.No.: 000957C  
PLACE : INDORE  
DATE : 30/07/2011

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

  
**RAJESH AGRAWAL**  
CHAIRMAN & MANAGING DIRECTOR  
  
**DR. S. R. SHARMA**  
DIRECTOR

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

**BALANCE SHEET ABSTRACT & COMPANY'S  
GENERAL BUSINESS PROFILE**

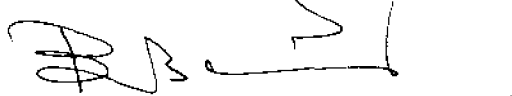
**PART - IV**

**(Rs. In Thousands)**

<b>Sr. No.</b>	<b>PARTICULAR</b>	<b>AMOUNT</b>
01.	Registration Details Registration No. Balance Sheet Date	<b>State Code 10</b> <b>10 - 05564</b> <b>31.03.2011</b>
02.	<b>Capital raised during the year</b> Public Issue Right Issue Bonus Issue Private placement	<b>NIL</b> <b>NIL</b> <b>NIL</b> <b>NIL</b>
03.	<b>Position of mobilization &amp; deployment of funds</b> Total Liabilities Total Assets <b>Source of Funds</b> Paid up Capital Reserves & Surplus  <b>Application of funds</b> Net fixed assets Net Current Assets Deferred Tax Assets	<b>2,83,691</b> <b>2,83,691</b>  <b>1,94,665</b> <b>83,516</b>  <b>282</b> <b>2,77,087</b> <b>812</b>
04.	Performance of Company Turnover Total expenditure Profit (Loss) before Extra Ordinary Items Extra Ordinary Items Profit (Loss) After Extra Ordinary Items Earning per share (Rs.) Dividend rate %	<b>50,495</b> <b>42,294</b> <b>8,201</b> <b>5,496</b> <b>2,705</b> <b>0.15</b> <b>NIL</b>
05.	<b>Generic names of three principal products of Co.</b>	<b>N.A.</b>

SIGNATURE TO SCHEDULE "A TO L"

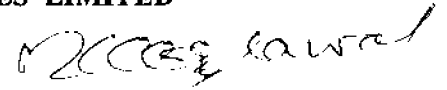
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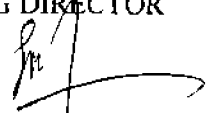
**(P. R. BANDI)**  
PARTNER  
(M.R. No.16402)  
Firm Reg.No. :000957C

PLACE : INDORE  
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FOR AND ON BEHALF OF THE BOARD  
GIRDHARILAL SUGAR AND ALLIED  
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**RAJESH AGRAWAL**  
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**DR. S. R. SHARMA**  
DIRECTOR