

**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	-	CHAIRMAN & MANAGING DIRECTOR
SHRI R.G. AGRAWAL	-	NON EXECUTIVE - INDEPENDENT DIRECTOR
DR S R SHARMA	-	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](http://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](mailto: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

## 25th ANNUAL REPORT 2013-2014

### NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Garbharil 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 adopt 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-110359838) 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 Shri 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 Lacs 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 Lacs 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.UX0051) 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 framed thereunder read with Schedule IV to the Act, as amended from time to time, Dr. S.R. Sharma (DIN No 00136851), 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 28/09/2019."

#### 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.

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

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 maximum 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 of 5%.

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

- Entitlement as per the rules of the Company, but not exceeding half a month's salary for each completed year of service.
- Encashment of leave at the end of tenure.
- Provision of car for use in Company's business.
- Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- 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 company Directors in both the companies. In addition, following shareholders of GSA L, to whom 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 (A)	As a % of grand total (A) + (B) + (C)
1	R. K. AGRAWAL	985300	8.06
2	R. K. AGRAWAL (HUF)	692000	3.55
3	G. RAJESH KUMAR (HUF)	907200	4.94
4	RIMLADEVI AGRAWAL	519000	2.62
5	SANGEE TA AGRAWAL	437600	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.	735100	3.75

#### ITEM NO. 5

The Board of Directors of the Company in their meeting held on 30/08/2014 approved the appointment and remuneration of M/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/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 29/09/2015.

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	6676	23
Gross Profit before financial cost & Depreciation & exceptional items	(-)144	3
Financial Cost	88	0
Depreciation	49	1
Profit for the year	(-)279	1
Less: Tax Expenses	36	1
Balance	(-)243	(-)12
Balance Brought forward from last year	706	708
Balance carried to Balance Sheet	463	706

#### 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. Girdhauri 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 Girdhauri 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 -

- (i) A modern Dairy Plant for manufacturing Pure Ghee, Skim Milk Powder etc
- (ii) A 250 TPD Soya Solvent Plant
- (iii) A 50 TPD Fable Oil Refinery
- (iv) 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 complying 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 508 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 6676 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 (-)243 lacs as against Rs (-)168 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 net 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.

In terms of BIFR Order dated 15/01/2014, the Company has since cancelled 6,82,000 fully paid up Equity Shares of Rs 10/- each aggregating to Rs 68,20,000 lacs held by Premier Industries (I) Ltd. (transferor company) in the Company. Post cancellation, the Subscribed Capital of the company stands at Rs 18,59,10,000 divided into 18,59,00,000 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 in 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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## **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

### **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. Mehta & 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. Mehta & 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 relate 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

**25th ANNUAL REPORT 2013-2014**

**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
<b>A) POWER &amp; FUEL CONSUMPTION</b>		
a) Electricity		
i) Purchased Unit	1517030	0
Total Amount	13146463	0
Average Rate/Unit Paise	866.59	3
ii) Own generation		
i. Through Diesel Generator Units	15896	11
Cost/Unit of Diesel oil	26308	0
Cost/Unit Paise	16.76	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	3
Furnace oil		
Quantity (k. Liter)	144.86	0
Total Amount	7053277	11
Average Rate per KL	48890	0
i. Other/Minimal Generations		
Quantity	N.A.	N.A.
Total Cost	N.A.	N.A.
Rate/Unit	N.A.	N.A.
<b>B). CONSUMPTION PER UNIT OF PRODUCTION</b>		
(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 has 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 processes 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 improve performance of the plant.

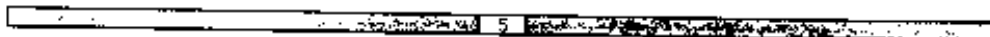
**D) FOREIGN EXCHANGE :**

Earned Rs. NIL  
Outgo Rs. Nil

FOR AND ON BEHALF OF THE BOARD

DATE : 30.06.2014  
PLACE : INDORE

**RAJESH AGRAWAL**  
Chairman & Managing Director



## **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

### **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**

<b>NAME</b>	<b>Status</b>
Rajesh Agrawal	Chairman and Managing Director
Dr. S.R. Sharma	Non-Executive – Independent Director
Ram Gopal Agrawal	Non – Executive – Independent Director

**b) Audit Committee - Composition**

Dr. S.R. Sharma	Chairman
Ram Gopal Agrawal	Member

**c) Shareholders / Investors Grievance Committee -- Composition**

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

Highlights of corporate governance matter are as follows :-

- i) The AGM for the year 2012-13 was held at the registered office on 30/11/2013.
- ii) The quarterly results for the year 2013-14 were reported in time during last week of subsequent months except for Quarter ending March 2014 result which was delayed due to merger process as approved by BIFR.
- 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: 30/09/2014

FOR AND ON BEHALF OF THE BOARD  
RAJESH AGRAWAL  
CHAIRMAN & MANAGING DIRECTOR



## THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT.

### INDUSTRY STRUCTURE AND DEVELOPMENT

The company is now having a solvent plant and it process soyabean seed to extract oil and the residue is known as DCC which is mainly exported. The extracted oil is refined in the existing 50 TPD Refinery. The Company expect a reasonable boost in economies of Soya Plants, post restructuring carried in Soya Trade all over India.

The company is also now having a Dairy plant where it process milk to manufacture pure ghee and skimmed milk powder. The Dairy Industry hope to do well in the coming years because of shortage of dairy products vis-a-vis huge demand which is expected to further increase due to economic revival.

The Management is fully gearing up to face the new challenge opportunity by investing substantial amount in modernization and upgradation of Plant & Equipments and other infrastructures.

### 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 DCC in various countries which is used for poultry and cattle feed industry. Local consumption of Soya DCC is also increasing gradually. Similarly new sources of milk procurements as well as new markets for finished goods in the dairy sector may help in improving the profit margin. However, for economical operations, the plants need to have sufficient funds and working capital arrangement, being commodity based operations. The Company would like to take advantages of these opportunities.

### Outlook

The company (including the transferor company) carries a strong goodwill due to its fair dealings and straight policies. The company believes that its long association and strategic arrangement with the farmers, suppliers, customers, banks and government will be quite beneficial in the long run and shall provide various opportunities to the company in related fields.

### Opportunities

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 Soya DCC besides increased share of local sale. Export of Dairy products to neighboring countries also may be possible. The Company is also trying to keep up with the pace of growth of the Indian Economy. The Company has also plans to introduce new value added products in the near future.

### Threats

Production of soyabean in the country depends a lot on favourable monsoon conditions which sometimes is erratic. Export of soya dcc at economical price is affected by policy of large producing/exporting countries. Similarly the realisation of oil, which has a mass consumption base, may be affected by the govt's intervention. In the dairy sector also, mushrooming of smaller capacity plants installed in milk producing area may affect the margins of existing plants to a great extent.

### 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 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 checks and controls effectively.

### Human Resources

The Company has impressive record of maintaining human relations at all levels in past. The employees' relation remained cordial during the year. Due to the professional approach of the management, the company has rarely faced any unrest or discomfort in connection with employees relation.

Place : INDORE

Date : 30/09/2014 FOR AND ON BEHALF OF THE BOARD

**Rajesh Agrawal**  
Chairman & Managing Director

### CEO Certification

I, Rajesh Agrawal, Chairman & Managing Director of the company certify to the Board that :

A) We have reviewed financial statements and the cash flow statement for the year ended on 31st March, 2014 and that to the best of our knowledge and belief :

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

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

B) 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.

C) 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.

D) We have indicated to the auditors and the Audit Committee

i) Significant changes in internal control during the year.

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

iii) There is not instance of significant fraud involving Management or Employee of the Company.

Place : INDORE

Date : 30/09/2014

**Rajesh Agrawal**

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

### INDEPENDENT AUDITOR'S REPORT To the Members of Girdharilal Sugar And Allied Industries Limited

We have audited the accompanying financial statements of Girdharilal Sugar And Allied Industries Limited which comprises of the Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements except for the effects of matters described in emphasis of matters give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date, and
- In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Emphasis of Matters

- Note no. 14 c (ii) in respect of interest on loans given to related party.
- Note No. 29 in respect of Merger Scheme sanctioned by BIFR dated 15.07.2014
- Note No. 30 in respect of interest liability on unpaid undisputed statutory dues.

#### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
  - 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.
  - 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us.
  - The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - In our opinion, the Balance Sheet, Statement of Profit and Loss comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and:
  - On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For M/s. M. MEHTA & CO.,  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 000957C)  
CA NITIN BANDI  
PARTNER,  
(M No. 400394)

PLACE: INDORE  
DATE : 30.06.2014

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**25th ANNUAL REPORT 2013-2014**

**ANNEXURE TO THE AUDITOR'S REPORT**

Annexure Referred to in paragraph 1 of our Audit report of even date on the accounts for the year ended 31st March 2014 of Giridhari Sugar And Allied Industries Limited

As required by the companies (Auditors report) order 2003 issued by the Company law Board in terms of section 227(4A) of the Companies Act 1956 we have further to report that :-

1. (a) In respect of fixed assets, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) These Fixed Assets have been physically verified by the management, in accordance with the programme of verification adopted by the company. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets
- (c) There was no substantial disposal of fixed assets during the year
2. (a) The inventory of the Company has been physically verified by the management during the year and at the year end. In our opinion the frequency of verification is reasonable
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business
- (c) On the basis of our examination of records of inventory in our opinion, the Company has maintained proper records of inventory and discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
3. (a) In our opinion and according to the information and explanations given to us, the Company has taken loans from three parties during the year covered in the register maintained u/s 301 of the Companies Act, 1956 and the outstanding year-end balance of such party during the year was Rs. 33123043/- and maximum outstanding balance during the year was Rs. 33123043/-
- (b) In our opinion and according to the information and explanations given to us, the company has also granted loans to Two parties covered in the register u/s 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.89591540/- and the year end balance of loans granted was Rs.87592116/-
- (c) In our opinion and according to the information and explanations given to us, no interest has been charged on such loans that have been taken / granted to Companies, Firms & other listed parties in the register maintained u/s 301 of the Companies Act, 1956. Interest on Loans given has been waived off during the year as per Board of Directors resolution dated 31.03.2014. The other terms & conditions on such loans are not prima facie prejudicial to the interest of the Company
- (d) The company is regular in repaying the principal amount as stipulated
- (e) The parties are regular in repaying the principal amount as stipulated.
- (f) In our opinion and according to the information and explanations given to us, there is no overdue amount of loan taken from / granted to Companies, Firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956
4. (a) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements or transactions referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under Section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are prima facie reasonable, having regard to prevailing market prices at the relevant time where such market prices are available
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public in contravention with the provisions of Section 58 A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 1975. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal or the Company in respect of any deposits.
7. The Company has an Internal Audit System, which in our opinion is adequate and commensurate with the size of the Company and nature of its business

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

8. We have been informed that the prescribed cost records pursuant to the rule made by the Central Government under section 209 (1) (c) of the Companies Act, 1956 are being maintained for its Sugar and Dairy Division. However we have not carried out any detailed examination of such accounts and records with a view to determine whether they are accurate or complete.
9. (a) According to the information and explanations given to us, the Company is generally regular in depositing provident fund and employees state insurance with appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amount payable in respect of income-tax, sales tax, wealth-tax, service-tax, customs duty, excise duty, cess as on 31.3.2014 were outstanding for a period of more than six months from the date they became payable except for Commercial Tax, Income Tax & TDS.

Sr. No.	Name of the Statute	Nature of Dues	Amount	Period
1.	M.P. Commercial Tax	Regular	20634142/-	2006-07
2	Income Tax & TDS	Regular	2831982/-	2011-12

- (c) As on 31st March 2014, according to the records of the company and the information and explanations given to us, the following are the particulars of dues on account of income tax, Excise Duty, Cess, Sales Tax Service Tax Customs duty and wealth Tax matters that have not been deposited on account of disputes -

Sr. No.	Name of the Statute	Nature of Dues	Amount (in Rs.)	Forum where pending
1	M.P. Commercial Tax Act 1994	Sales Tax & Entry Tax Demand	36610079/-	High Court/ Commissioner of Sales tax/Deputy Commissioner
2	Income Tax Act, 1961	Income Tax Demand	19517760/-	CIT Appeal
2.	Central Excise Act, 1944	Excise Duty	818153/-	Commissioner of Central Excise (Appeal)

- 10 The Company has incurred cash loss during the financial year covered by our audit. However the company has made cash profit in the immediately preceding financial year. The company has accumulated losses more than 50% of its net worth at the end of the financial year.
- 11 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks during the year.
- 12 According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the other provisions of clause 4 (iv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 13 In our opinion and according to the information and explanations given to us, the Company is not a hit fund or a night mutual benefit fund / society. Therefore, the provisions of clause 4(xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14 In our opinion, according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15 According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 According to the information and explanation given to us, the company has not taken any term loans during the year.
- 17 According to the information and explanations given to us and an overall examination of the Balance Sheet of the company, we report that funds raised on short-term basis, have been used for short term purpose only.
- 18 The Company has not made preferential allotment of share to parties and Companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the year covered by our audit.
19. The company has not issued any debentures during the year under review.
- 20 The company has not raised any money by public issues during the year under review.
- 21 To the best of our knowledge and belief and according to the information and explanation given to us, no fraud or by the Company has been noticed or reported during the course of our audit.

For: **M/s. M. Mehta and Company**  
**Chartered Accountants**  
 (Firm Reg. No. 008857C)  
 CA - **NTIN BANO**  
 PARTNER  
 (M.No 400394)

PLACE : INDORE  
 DATE : 30.08.2014

**25th ANNUAL REPORT 2013-2014**

**BALANCE SHEET AS AT 31ST MARCH, 2014**

PARTICULARS	NOTENO.	31 <sup>st</sup> March 2014 Rs.	31 <sup>st</sup> March 2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDERS FUNDS</b>			
(a) SHARE CAPITAL	2	185865000	194618500
(b) EQUITY SHARE CAPITAL SUSPENSE A/C	3	5790000	0
(b) RESERVES AND SURPLUS	4	-113633427	84677403
<b>(2) NON CURRENT LIABILITIES</b>			
(a) LONG TERM BORROWINGS	5	149241211	0
(L) LONG TERM PROVISIONS	6	8051906	925660
<b>(3) CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWINGS	7	83974379	0
(b) TRADE PAYABLES	8	269587833	175048
(c) OTHER CURRENT LIABILITIES	9	154589047	4463205
(d) SHORT TERM PROVISIONS	10	78243	0
	<b>TOTAL</b>	<b>743542186</b>	<b>284910217</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
<b>(a) FIXED ASSETS</b>			
<b>TANGIBLE ASSETS</b>			
TANGIBLE CAPITAL WORK IN PROGRESS	11	230264683	237222
		1201608	0
(b) NON-CURRENT INVESTMENTS	12	1200	0
(c) DEFERRED TAX ASSETS (Net)	13	141624208	1011812
(d) LONG TERM LOANS AND ADVANCES	14	63239788	230053785
(e) OTHER NON-CURRENT ASSETS		529000	529000
<b>(2) CURRENT ASSETS</b>			
(a) INVENTORIES	15	125771068	0
(b) TRADE RECEIVABLES	16	90031746	0
(c) CASH AND BANK BALANCES	17	2326604	366215
(d) SHORT TERM LOANS AND ADVANCES	18	88275232	52578672
(e) OTHER CURRENT ASSETS	19	277487	13351
	<b>TOTAL</b>	<b>743542186</b>	<b>284910217</b>

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 1

THE ACCOMPANYING NOTES (2-43) ARE INTEGRAL PART OF THE FINANCIAL STATEMENT

AS PER OUR REPORT OF EVEN DATE  
FOR M/S. M. MEHTA & COMPANY  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 000957C)

**C.A. NITIN BANDI**  
PARTNER  
(M.No. 400394)  
PLACE: INDORE  
DATE: 30/08/2014

FOR AND ON BEHALF OF THE BOARD

**RAJESH AGRAWAL**  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO: 00107009

**R.G. AGRAWAL**  
DIRECTOR  
DIN NO: 00359635

**VISHNU DATTA SHARMA**  
COMPANY SECRETARY  
M.No.: 31223

## GIRDHARJAL SUGAR AND ALLIED INDUSTRIES LIMITED

### PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

PARTICULARS	NOTE NO.	31st March 2014	31st March 2013
		Rs.	Rs.
<b>REVENUE:</b>			
REVENUE FROM OPERATIONS (GROSS)	20	665270701	0
LESS: EXCISE DUTY / VAT		220015	0
REVENUE FROM OPERATIONS (NET)		665049686	0
OTHER INCOME	21	2569571	2263943
<b>TOTAL REVENUE</b>		<b>667619457</b>	<b>2263943</b>
<b>EXPENSES:</b>			
COST OF MATERIALS CONSUMED	22	444035111	0
PURCHASE OF STOCK IN-TRADE	23	153651323	0
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	24	-16727480	0
EMPLOYEED BENEFIT EXPENSE	25	14705514	208912
OTHER EXPENSES	26	86387871	1985676
<b>TOTAL</b>		<b>682052339</b>	<b>2224498</b>
<b>EARNINGS BEFORE FINANCE COST, TAX, DEPRECIATION AND AMORTIZATION EXPENSES</b>		<b>-14432882</b>	<b>10365</b>
FINANCIAL COSTS	27	8579251	1886
DEPRECIATION AND AMORTIZATION EXPENSES	11	4927885	28883
<b>PROFIT BEFORE TAX</b>		<b>-27940018</b>	<b>29609</b>
TAX EXPENSE:	28		29609
(1) CURRENT TAX		0	
(2) DEFERRED TAX		-3609596	21722
(3) SHORT PROVISIONS FOR EARLIER YEARS		0	2009.34
<b>PROFIT (LOSS) FOR THE YEAR</b>		<b>-24330422</b>	<b>-168133</b>
EARNING PER EQUITY SHARE OF RS. 10 EACH	33		
(1) BASIC		-1.31	-0.01
(2) DILUTED		-1.31	-0.01

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

THE ACCOMPANYING NOTES (2-43) ARE INTEGRAL PART OF THE FINANCIAL STATEMENT

AS PER OUR REPORT OF EVEN DATE  
FOR M/S. M. MEHTA & COMPANY  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 009570)

FOR AND ON BEHALF OF THE BOARD

C.A. NITIN BANDI  
PARTNER  
(M.No. 400394)  
PLACE: INDORE  
DATE: 30/03/2014

RAJESH AGRAWAL  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.: 00107009

R.G. AGRAWAL  
DIRECTOR  
DIN NO.: 00359630

VISHNUDATTA SHARMA  
COMPANY SECRETARY  
M No.: 31223

[Stamp/Signature Area]

**25th ANNUAL REPORT 2013-2014**

**CASH FLOW STATEMENT FOR THE YEAR 2013 - 2014**

	31st March 2014	31st March 2013
<b>Cash Flow from Operating Activities</b>		
Net Profit before Taxation & Extraordinary Items	-27,940,018	28636
Adjustments for -		
Depreciation	4927885	28863
Interest Paid	8579251	1896
Interest Received	542299	2293843
Profit/Loss on Sale of Assets	0	0
Operating Profit before Working Capital Changes	-14975181	-2224488
Increase/Decrease in Inventory	-31157696	0
Increase/Decrease in Loans and Advances	159460540	-77315
Increase/Decrease in Trade Payables	125272460	-2117899
Increase/Decrease in Trade Receivables	2409912	0
Cash generated from Operations	241010035	-4419702
Income Tax		417673
<b>Net Cash Flow from Operating Activities</b>	<b>241010035</b>	<b>-4857375</b>
<b>Cash flow from Investing Activities</b>		
Interest received	542299	2293843
Purchase of Fixed Assets and capital work in progress	-2710189	0
Increase in Deferred tax Assets	0	0
Increase in long term investments	0	0
<b>Net Cash Flow from Investing Activities</b>	<b>-2167890</b>	<b>2293843</b>
<b>Cash Flow from Financing Activities</b>		
Amount of Secured Loan raised/repaid	-30903542	0
Unsecured Loan Raised/Raised	-197398763	2339172
Interest Paid	-8579251	-1966
<b>Net Cash Flow from Financing Activities</b>	<b>-236881556</b>	<b>2337306</b>
<b>Net Increase in Cash And Cash Equivalents</b>	<b>1950589</b>	<b>-216226</b>
Cash & Cash Equivalents at the beginning of the period	366215	582441
Cash & Cash Equivalents at the end of the period	<b>2326804</b>	<b>365215</b>

1. Figures in minus represent cash outflows

2. Cash & Cash equivalents represent Cash & Bank Balances only

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 1

**THE ACCOMPANYING NOTES (2-43) ARE INTEGRAL PART OF THE FINANCIAL STATEMENT**

AS PER OUR REPORT OF EVEN DATE  
FOR M/S. M. MENTA & COMPANY  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 0019570)

FOR AND ON BEHALF OF THE BOARD

C.A. NITIN BANDI  
PARTNER  
(M.No.400394)  
PLACE, INDORE  
DATE: 30-09-2014

RAJESH AGRAWAL  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO: 00107009

R.G. AGRAWAL  
DIRECTOR  
DIN NO: 00369638

VISHNU DATT SHARMA  
COMPANY SECRETARY  
M.No. 31223

## **GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

### **Significant Accounting Policies for the Year Ended 31 ST MARCH 2014**

#### **Corporate Information**

The Company was incorporated on 27/10/1988. The Registered office of the company is situated at 45/47-A Industrial Area No.1, A.B. Road, Dewas and its corporate office is situated at 107,Chetak Centre, R.N.T.Marg,Indore (M.P.).The company had earlier put up a greenfield 2x00 TCD Sugar mill in Madhya Pradesh at Nimar area , which is nearing Maharashtra Border. However, the said mill was subsequently disposed of due to economic reason. The Company had issued shares to the Public for financing its Sugar Mill. The shares are listed at BSE and are admitted at CDSL. The Registrar and Share Transfer Agent is Purva Sharegistry (India) Pvt. Ltd.,9 Shivshakti Industrial Estate,off N.M.Josri Marg,Lower Parel (E),Mumbai

Board for Industrial and Financial Reconstruction (BIFR) vide its order dated 15/01/2014 , has approved merger of Premier Industries (India) Ltd (The Transferor Company) with our company i.e. Girdharilal Sugar and Allied Industries Ltd (The Transferee Company) with retrospective effect from 01.04.2013. The said merger has also been approved by the shareholders of transferor company as well as transferee company in their respective Annual General meeting held on 31.10.2013. Post merger line manufacturing facility of the merged entity now includes - i) A modern Dairy Plant, ii) A 250 TPD Soya Solvent Plant, iii) A 50 TPD Edible oil Refinery, iv) A small Lecithin Plant. All the manufacturing facility are situated at 45/47-A Industrial Area No.1, A.B. Road , Dewas (M.P.)

#### **Basis of Preparation**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **1 Accounting Policies**

##### **a Fixed Assets**

Fixed assets are recorded at cost (Fair Value) less depreciation. Assets acquired on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as accrued.

##### **b 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.

##### **c Depreciation**

Depreciation is provided on fixed assets at straight line method in accordance with provision of schedule XIV of the Companies Act, 1956 & amendment there to.

##### **d 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.

##### **e Impairment of Assets**

An asset 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 accounting periods is reversed if there has been a change in the estimate of the recoverable amount.



**f Investments**

Long Term Investment are stated at cost or market price whichever is lower. Provision for Diminution in value considered other than 'Temporary' in nature. Dividends are accounted for as and when received.

**g Inventories**

The Company values its Raw Material at cost on FIFO basis. Finished goods are valued at cost or net realisable value whichever is lower and other items at cost.

**h Revenue Recognition**

(a) Revenue from operation includes Sale of goods and processing receipts. Revenues recognised only when risk and rewards incidental to ownership are transferred to customers.

(b) Revenue in respect of Insurance/Other claims, interest Commission etc. is recognised only when it is reasonably certain that ultimate collection will be made.

**i Foreign Currency Transaction**

Foreign currency liabilities in respect of fixed assets restated at the rates ruling at the year end. Any material exchange difference arising on such transaction are adjusted in the Cost of Assets.

**j Retirement and Employee 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 and Loss Account. There are no other obligation 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 determined on the basis of simple calculation.

**l Income Taxes**

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.

**m Provisions & Contingent Liabilities**

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

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

### Notes to the Accounts and Accounting Policies for the Year Ended 31st March 2014

		31.03.2014	31.03.2013			31.03.2014	31.03.2013
<b>2</b>	<b>SHARE CAPITAL</b>						
<b>3</b>	Particulars						
	Authorized Share Capital 27500000 Equity Shares (Prev Year 27500000 of Rs 10 Each)	275000000	275000000				
	Issued, Subscribed and Paid Up Capital 19470000 Equity Shares (Prev Year 19470000; of Rs 10 Each)	194700000	194700000				
	Less: 8 00,000 equity shares held by Premier Industries (India) Ltd. Stand Cancelled Loss Calls unpaid (Rs 5 per Share) on 70000 Equity Shares of Rs 10/- Each	8800000		35000	35000		
		<u>185865000</u>	<u>194665000</u>				
<b>b</b>	Reconciliation of Shares outstanding at the beginning and at the end of the year						
		31.03.2014	31.03.2013				
	Equity Shares Nos.	Amount	Nos.	Amount			
	At the Beginning of the Year	19470000	19470000	19470000	19470000		
	Issued during the year	880000	880000	0	0		
	Cancelled during the year						
	Outstanding at the end of the year	<u>18590000</u>	<u>18590000</u>	19470000	19470000		
<b>c</b>	Terms & Rights Attached to Shares/Equity Shares						
	The Company has only one class of Equity shares having a par value of 10/- Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the Year Ended 31st March 2014 the amount per share dividend recognized as distributions to equity shareholders was Rs. nil. For 31st March 2013 was Rs. nil). In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.						
<b>d</b>	There is no holding / ultimate holding company.						
<b>e</b>	Details of Shareholders holding more than 5% shares in the Company						
	(In Nos.)						
	Name of the Share holders	31.03.2014	31.03.2013				
		Nos.	%	Nos.	%		
	Equity						
	Premier Proteins Ltd	5065000	26.01	5065000	26.01		
	Central Investments Pvt. Ltd	2070000	10.63	2070000	10.63		
	H. K. Agrawal	985800	5.08	985800	5.04		
<b>f</b>	There are no shares reserved for issue under options / Contracts / Commitments						
<b>g</b>	Details of shares issued other than by Cash / Issued by way of Bonus / Brought Back in immediately preceding Five Years						
<b>h</b>	There are no Securities converted into Shares.						
<b>i</b>	Calls Unpaid From Others (Rs 5 per Share unpaid on 7000 Shares)	35000	35000				
<b>j</b>	Shares Forfeited	0	0				
<b>3.</b>	<b>EQUITY SHARE CAPITAL SUSPENSE ACCOUNT</b>						
	5 79 000 Equity Share of Rs. 10 each to be issued as fully paid up, pursuant to the scheme approved by BIFR without the payment being received in cash (refer Note No. 29(C))	5790000	0	5790000	0		
		<u>5790000</u>	<u>0</u>				
<b>4</b>	<b>RESERVE &amp; SURPLUS</b>						
<b>a</b>	Capital Reserve						
	Opening Balance	14000000	14000000				
	Addition during the year	0	0				
	Transfer during the year	0	0				
	Closing Balance	<u>14000000</u>	<u>14000000</u>				
<b>b</b>	<b>Security Premium Reserve Account</b>						
	Opening Balance						
<b>i</b>	<b>Amalgamation Reserve Account Created</b> (Ref Note No.29)-160952346						
	Add - Share Capital Suspense Account	-5790000	0				
	(New Shares to be issued as per exchange ratio)-166742346	0	0				
	Add Transferred to Fixed Assets Fair Value Reserve Account	-200000000	0				
		<u>-366742346</u>	<u>0</u>				
<b>ii</b>	<b>Fixed Assets Fair Value Reserve Account</b>						
	Transfer from: Amalgamation Reserve Account	200000000	0				
	Less Written Off During the year	7237952	192762038	0	0		
		<u>-173960308</u>	<u>0</u>				
	Closing Balance	<u>-173960308</u>	<u>0</u>				

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31.03.2014		31.03.2013		31.03.2014		31.03.2013	
<p>The Board of Directors have decided to show separately fair value of fixed assets after reducing therefrom, written down value of those assets as appearing in the books of the transfer company, under the head 'Fixed Assets Fair Value Reserve Account' and charge thereon on the said amount directly to the Reserve Account.</p>				<p><b>6 LONG TERM PROVISIONS</b></p>			
<p><b>c Profit &amp; Loss Account</b></p>				<p>Provision for Employee Benefits</p>			
<p>Balance as per last</p>				<p>Gratuity <b>6778588</b> 505775</p>			
<p>Balance Sheet</p>				<p>Leave Encashment <b>4273318</b> 23840</p>			
<p>Less: Loss for the Year</p>				<p><b>8051906</b> 529660</p>			
<p><b>46346881</b> 79677303</p>				<p>Other Provisions <b>0</b> 0</p>			
<p><b>Total Reserve &amp; Surplus -113633427</b> 84677303</p>				<p>Total of Provisions <b>8051906</b> 529660</p>			
<p><b>5. LONG TERM BORROWINGS</b></p>				<p><b>7. SHORT TERM BORROWINGS</b></p>			
<p><b>a Particulars</b></p>				<p><b>a. Particulars</b></p>			
<p><b>i Loans &amp; Advances from Related Parties (unsecured) 24700000</b> 0</p>				<p>Working Capital Loans (Secured)</p>			
<p><b>ii Other Loans &amp; Advances (Unsecured) 10000000</b> 0</p>				<p>From Canara Bank <b>56092144</b> 0</p>			
<p><b>iii Deferred Payment Liabilities (Secured) 114541211</b> 0</p>				<p>Funded Interest Term Loan (Secured)</p>			
<p><b>149241211</b> 0</p>				<p>Loans &amp; Advances from Related Parties (Unsecured) <b>15311563</b> 0</p>			
<p><b>b Out of the Above</b></p>				<p>Other Loans &amp; Advances (Unsecured) <b>4147528</b> 0</p>			
<p>Total Secured <b>114541211</b> 0</p>				<p><b>83974379</b> 0</p>			
<p>Total Unsecured <b>34700000</b> 0</p>				<p><b>b Out of the Above</b></p>			
<p><b>149241211</b> 0</p>				<p>Total Secured <b>71403707</b> 0</p>			
<p><b>c Out of the Above Loans Guaranteed by Directors &amp; Others. 0</b> 0</p>				<p>Total Unsecured <b>12570672</b> 0</p>			
<p><b>d Terms and Conditions of Borrowings</b></p>				<p><b>c Out of the Above Loans Guaranteed by Directors &amp; Others. 71403707</b> 0</p>			
<p>1) Loans from Related parties includes:-</p>				<p><b>d Terms and Conditions of Borrowings</b></p>			
<p>a sum of Rs.24700000/- received in past towards promoters contribution in erstwhile transfer company Premier Industries (India) Ltd. in terms of Reiver package approved by AAR and is interest free</p>				<p>i) Working Capital Loan from Bank is secured against hypothecation of Current Assets. Further the loan is guaranteed by Mr. Rajesh Agrawal, Chairman &amp; Managing Director of the company. The interest on the loan is payable @ PLR Rate of the Bank @ 13% p.a.</p>			
<p>2) Loan of Rs.10000000/- was received in past from other party towards erstwhile transfer company Premier Industries (India) Ltd. in terms of Reiver Package approved by AAR and is interest free</p>				<p>ii) Funded Interest Term Loan (FITL) represent aggregate interest on Working Capital Term Loan (WC TL) as funded by Canara Bank in terms of BFR package. FITL is payable during the period commencing from October 2015 till Nov'2017. The FITL is Interest Free.</p>			
<p>3) Deferred Payment Liabilities represent net aggregate amount of Commercial Taxes (Sales tax, Vat Entry tax etc.) liabilities deferred by the company, being a Sick Industrial Unit in terms of Rehabilitation Package approved by BIFR and as per Policy Package of the State Govt.</p>				<p>iii) Short Term Loan from one of the related parties (Vertex Investments Pvt. Ltd.) is interest free. The Loan is repayable on demand.</p>			
<p>4) The commercial Tax Dept. of State Govt. has created a Lien on the Fixed Assets of the company situated at Dows (M.P.) to secure amount of Deferred commercial Tax payable by the company.</p>				<p>iv) Other Loans and Advances represents Inter Corporate loans taken from other parties and the same is payable on demand and bearing interest i.e. from 15% to 18%.</p>			
<p>5) The Rehabilitation package approved vide BIFR order dated 15.11.2014 Clause 16.03 a) has allowed repayment of Rs. 14741211/- in three years commencing from FY 2014-15. Accordingly Deferred Commercial Tax of Rs. 114541211 payable in FY 2015-16 &amp; 2016-17 has been shown as long term liability and balance Rs. 32970000/- payable in 2014-15 has been shown as Current Liability.</p>				<p><b>e Default in payment of Borrowings</b></p>			
<p><b>6 TRADE PAYABLES</b></p>				<p align="center"><b>NIL</b> <b>NIL</b></p>			
<p><b>a Trade Payables 269587833</b> 175049</p>				<p><b>6 TRADE PAYABLES</b></p>			
<p><b>269587833</b> 175049</p>				<p><b>a Trade Payables 269587833</b> 175049</p>			

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

	31.03.2014		31.03.2014		31.03.2013
<b>9 CURRENT LIABILITIES</b>					
Unpaid Matured Debenture and interest accrued thereon (secured)/	5901954	0			
Other Payables	144667087	4483225			
	<u>154589041</u>	<u>4483225</u>			
			Deffered Tax Liabilities		
			Depreciation	5178310	42475
				<u>5178310</u>	<u>42475</u>
			Net Deffered Tax Asset	141624208	1011612
			Liabilities		
<b>#</b>	<p>a. Debentures are secured by mortgage of Land situated in Gujarat and immovable Property at Dewas (MP) and floating charges on all the assets of the company save and except immovable property in erstwhile transferor company Premier Industries (India) Ltd.</p> <p>b. The transferor Company had earlier converted 13.5% Secured Convertible Debenture into Equity Shares based on the consent from the Debenture Holders as per provision of Companies Act 1956 and various approvals received from the appropriate authorities at that time. The transferor Company had already reminded the remaining Debenture Holders to surrender original Debenture Certificate and to get the refund of their money from the transferor Company. As on 31.03.2014 Debenture to the extent of Rs 84.77 lacs (not on call in arrears) are due for redemption and interest accrued Rs.14.25 lacs. As per BIFR order this liability has been deferred and Rs 10.00 lacs will be payable in year 14-15 and balance payable in subsequent years.</p> <p>c. BIFR vide order dated 15.01.2014 under clause 16.1.2 (Debenture holders) has given direction "to exempt the company from the provisions of section 205C of the Companies Act, 1956 for not depositing the unclaimed Debentures Amount of Rs. 98.03 lacs with Investor Education &amp; Protection Fund". BIFR order has further deferred repayment of debentures holders liability for 3 years commencing from F.Y. 2014-15 till F.Y. 2016-17.</p>				
<b>10 SHORT TERM PROVISIONS</b>					
Provision for Employee Benefits					
Gratuity	76243	0			
Total of Provisions	<u>76243</u>	<u>0</u>			
<b>11 FIXED ASSETS</b>					
As per Attached Sheet	<u>230264663</u>	<u>237222</u>			
<b>12 NON CURRENT INVESTMENTS</b>					
Particulars					
a Investment in Debentures or Bonds (At Cost)					
M.P.G.M. Bonds (Unquoted)	1200	0			
	<u>1200</u>	<u>0</u>			
<b>13 DEFERRED TAX ASSETS/ LIABILITIES</b>					
Deffered Tax Assets					
Disallowances under 43B	51600450	1054287			
Employee Related	0	0			
Carry Forward Losses	<u>95202038</u>	<u>0</u>			
	<u>146802518</u>	<u>1054287</u>			
			<b>14 LONG TERM LOANS &amp; ADVANCES</b>		
			a Security Deposits		
			Unsecured Considered good	3239788	53786
			b Loans & Advances to Related Parties	60000000	60000000
			Premier Proteins Limited (unsecured)		
			Total Loans & Advances	<u>63239788</u>	<u>60053786</u>
			c Terms and conditions of Loan Given		
			i) The loans are receivable only after 12 months in terms of mutual understanding between the parties		
			ii) Interest for the financial year 2012-13 & 2013-14 on above amount given to related parties have been waived as per Board Resolution dated 31.01.2014		
			<b>15 INVENTORIES</b>		
			a Particulars		
			Raw Materials	16097178	0
			Finished Goods	96076000	0
			Stores & Spares	4450609	0
			Others	<u>9144661</u>	<u>0</u>
				<u>125774068</u>	<u>0</u>
			b The Company values its Raw Material at cost on FIFO basis. Finished goods are valued at cost or net realisable value whichever is lower and other items at cost.		
			<b>16 TRADE RECEIVABLES</b>		
			a Outstanding for the period exceeding 6 months from due date.		
			Unsecured Considered Good		
			From related parties		
			Manthan Milk Products Private Ltd.	45012558	0
			Others	<u>11401469</u>	<u>0</u>
			Less: Provision for Doubtful Debts	0	0
			b Others		
			Unsecured Considered Good	33617689	0
			Total Trade Receivables	<u>90631716</u>	<u>0</u>
			<b>17 CASH &amp; BANK BALANCES</b>		
			Cash In Hand	285916	4129
			Balances with Bank (*)	1276650	39594
			Balances with Bank held as Margin Money / Security (Maturity more than 12 months)	1293236	851492
			Total of Cash & Cash Equivalents	<u>2555004</u>	<u>695215</u>
			Less: Amount Disclosed under Non Current Assets	529000	529000
			Total of Cash & Cash Equivalents	<u>2326004</u>	<u>366215</u>

\*(Including balance of Rs. 40000/- lying in seized account.)

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	31.03.2014	31.03.2013		31.03.2014	31.03.2013
<b>18 SHORT TERM LOANS &amp; ADVANCES</b>			<b>22 COST OF MATERIAL CONSUMED</b>		
Particulars			Opening Stock of Raw Material	0	0
a Security Deposits			Add:- Raw Material of Soya &		
Unsecured Considered good	9910228	371100	Dairy Division as on 01.04.2013	5528254	0
b Advances Recoverable in Cash			Add: Purchases	586736480	0
Unsecured Considered good	45845861	2426134	Less Sales /Return	110415870	0
c Loans & Advances to Related Parties (Unsecured);				451846784	0
Pranar Proteins Limited	25335930	0	Less: Closing Stock of Raw Material	17811573	0
d Other Loans & Advances				444035111	0
Advance Income Tax (Net of Provision)	842410	0			
Prepaid Expenses	483071	0	Details of Raw Material Consumed		
Balances with Statutory / Govt. Authorities	5657732	224563	Soya Seed	38211740	0
Total Loans & Advances	88275232	3021797	Hexane	347755	0
			Mk	395305252	0
			Others	10170356	0
				444035111	0
<b>19 OTHER CURRENT ASSETS</b>			Details of Stock of RM		
a Interest Accrued on Deposits	277487	143511	Soya Seed	13448486	0
Total Other Current Assets	277487	133511	Hexane	2648892	0
			Mk	12480	0
			Others	1714485	0
				1724133	0
<b>20 REVENUE FROM OPERATIONS</b>			<b>23 PURCHASE OF STOCK IN TRADE</b>		
a Sale of Products			a Details of Purchase of Traded Goods		
Finished Goods	563993872	0	Soya Solvent Oil	10278288	0
b Other Operating Revenues			Soya Doc	134686710	0
Processing Charges	702882	0	SMP/Dairy Whiner	4892858	0
Miscellaneous Sales /Receipts	573947	0	Pure Ghee	3793489	0
	685270701	0		153651323	0
Details of Product Sold			<b>24 CHANGES IN INVENTORY</b>		
Finished Goods			a (Increase) / Decrease in Inventories		
Solvent Division			Opening Stock of Inventories		
Dried Cakes/Powder/Nuggets	178733775	0	Finished Goods	0	0
Solvent oil/Refined oil/Sludge	17290818	0	Transfer from Soya & Dairy Division as on 01.04.2013	79350520	0
Dairy Division			Less: Closing Stock of Inventory		
SMP/Dairy Whiner	273050116	0	Finished Goods	96078000	0
Pure Ghee	127186583	0	Net Increase / Decrease	-16727480	0
Mk	57722800	0			
Processing Charges	702882	0	b Details of Inventories		
Miscellaneous Sales /Receipts and settlement of contracts	573947	0	Finished Goods		
	565270701	0	Dried Cakes/Powder/Nuggets	13899360	0
			Solvent oil/Refined oil/Sludge	23424990	0
			SMP/Dairy Whiner	14747650	0
			Pure Ghee	11561920	0
			Other	32444180	0
				96078000	0
<b>21 OTHER INCOME</b>			<b>25 EMPLOYEE BENEFIT EXPENSES</b>		
Interest	542299	84514	Salaries & Wages	11773346	169860
Sundry Balances W/Off (net)	1834344	0	Bonus	353831	7(X)0
Other Non Operating Income (Net of Expenses)	192928	2199329	Contribution to Provident & Other Funds	1145477	25643
	2569571	2268443	Staff Welfare Expenses	397947	1880
Details of Other Non Operating Income					
Weighing Charges	45789	0			
Packing & Forwarding Charges	90578	0			
Miscellaneous Receipts	56481	0			
	192928	0			

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

	31.03.2014	31.03.2013
Gratuity Expenses	813764	34224
Travel Encashment Expenses	161340	-
Medical reimbursements	59809	-
	<u>14705514</u>	<u>236812</u>
<b>26 OTHER EXPENSES</b>		
Consumption of Stores & Spares	3377019	0
Power & Fuel	42643443	0
Freight & Cartage	3846522	0
Rent	222172	0
Repairs to Buildings	124707	-
Repairs to Machinery	586511	-
Insurance	819697	0
Rates & Taxes	1109893	2500
Auditor Remuneration	153938	44944
Processing Charges	418408	0
Printing & Stationary	568918	129234
Telephone Charges	475513	52570
Traveling & conveyance Expenses	1121534	86746
Vehicle Repairs & Maintenance	1133042	137263
Legal & Professional Charges	2129419	239623
Societial Charges	188463	102898
Security Guard Expenses	654538	-
Other Expenses	4113191	1100992
Selling Expenses	4049841	0
Packing & Forwarding Expenses	3473902	0
Settlement of Contracts		
Liquidated Damages	15251169	0
Prior Year Expenses	49831	0
	<u>86387871</u>	<u>1985671</u>
Details of Payment to Auditors		
Audit Fee	112504	32000
Tax Audit Fee	20000	10000
Others	21434	4944
	<u>153938</u>	<u>44944</u>
<b>27 FINANCIAL COST</b>		
Interest on Working Capital Loans	6573973	0
Interest on Unsecured Loans	1265681	0
Interest on others	194276	0
Bank Charges	545481	1861
	<u>8579231</u>	<u>1861</u>
<b>28 TAX EXPENSES</b>		
<b>a</b> Income tax		
Current Year	0	21722
Excess/short Provision of Previous year	0	385501
<b>b</b> Deferred Tax	3609596	200934
	<u>3609596</u>	<u>218607</u>
<b>29 Merger under BIFR order</b>		
<b>a</b> During the current financial year pursuant to the order passed by BIFR vide its order dated 15.01.2014 the scheme of merger of Premier Industries (India) Ltd. (Transferor company) with our company Girdharilal Sugar		

and Allied Industries Ltd. (Transferee company) has been approved with effect from 01.04.2013 upon which the entire undertaking business including all assets and liabilities of Premier Industries (India) Ltd. will stand transferred and vested in the transferee company as on said date at its fair value.

b The scheme of merger has been accounted under the purchase method as envisaged under the scheme & AS-14 on "Accounting for Amalgamation" notified under the Companies (AS) Rules - 2005.

c As per scheme sanctioned by BIFR on the record date the transferee co. will issue one equity share of Rs. 10 each as fully paid up of transferee co. at par without consideration received in cash for every 10 equity shares of Rs. 10 each fully paid up held by such member in transferor company as per share exchange ratios sanctioned.

d The Particulars of Assets and Liabilities taken over as per scheme of merger are as under:

Particulars	Amount (Rs. in Lacs)
<b>Assets</b>	
Fixed Assets (taken at fair value as per approved)	240884191
Current Assets And Loans and Advances	218543280
Deferred Tax Assets	137002000
Investments	8000000
<b>Total Assets (A)</b>	<b>602030199</b>
<b>Liabilities</b>	
Secured Loans	216849460
Other Loans	241669436
Current Liabilities And Provisions	290738819
Amount due to Premier Proteins Ltd	10421630
<b>Total Liabilities (B)</b>	<b>762882545</b>
<b>Net Liability transfer to Amalgamation Reserve Account</b>	<b>160952346</b>

e As per sanctioned scheme, transferee co. has to issue as per exchange ratio 673000 equity share of Rs. 10/- each to the shareholders of transferor Company, however no such share have been allotted or issued up to 31.03.2014, hence the equivalent amount of Rs. 6730000/- has been set under share capital suspense account by transferring from Amalgamation Reserve Account as per the order of BIFR.

f The scheme of merger has been approved by the shareholders of our company in its Annual General Meeting held on 31.10.2013.

g 850000 fully paid equity shares of Rs. 10/- each of the transferee company held by transferor Company as on 31.03.2013 have been cancelled and accordingly adjustments have been made in our Companies share capital account.

h The transfer formalities in respect of change of name of the transferor company in various bank account, Govt. Departments etc. are in process.

i The new shares of the transferee company will be issued to the shareholders of transferor company within a period of one year from the date of BIFR order for which formalities are going on.

j During the year between 01.04.2013 to 15.01.2014 the business of the transferor company was carried on trust and all the vouchers, documents etc. for the period were

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	31.03.2014	31.03.2013
<p>The name of Premier Industries (India) Ltd./ Premier Nutritions (Prop. -Premier Industries (India) Ltd.).</p> <p>The title deeds for lease hold land, building, licenses, agreements are still in the name of transferor company and the process to transfer the same in transferee company is in process.</p> <p>The status of the company will continue as sick industrial undertaking up to 31.03.2019 and registered with BIFR. The accounts has been prepared on going concern basis.</p>		
30	Interest liability, if any, on various unpaid undisputed statutory dues have not been separately quantified and adjusted during the year	
31	<b>RELATED PARTY DISCLOSURE</b>	
a	Names of Related Parties and Related Party Relationship	
	Name of Related Party	Relation
	Premier Proteins Ltd.	Director of the company is interested as Director
	Vertex Investments P. Ltd.	Director of the company is interested as Director
	Manthan Milk Products Pvt. Ltd.	Director of the company is interested as Director
	Indrajit Solar Power P. Ltd.	Director of the company is interested as Director
	Rajesh Agrawal	Key Managerial Person - Chairman
	R.G Agrawal	Key Managerial Person
	Dr S R. Sharma	Director
	Smt. Bimla Devi Agrawal	Relative of Key Managerial Person
	Smt. Sangeta Agrawal	Relative of Key Managerial Person
b	The details of the related party transactions entered into by the Company	
	Particulars	
	Capital Transactions	
	<b>Loan Taken</b>	
	Vertex Investments P. Ltd.	1791380 14896727
	<b>Loan Given</b>	
	Premier Proteins Limited	34733543 0
	<b>Revenue Transactions</b>	
	Vertex Investments P. Ltd.	102852
	Reimbursement of Expenses	0 159000
	Interest Paid	0 6140748
	<b>Manthan Milk Products Pvt. Ltd.</b>	
	Trading Of Goods	12629377 0
	Relatives of Key Managerial Persons	
	Rent Paid - Smt. Sangeta Agrawal	102852 0
	Balance Outstanding	306558
	Rent Paid - Smt. Bimla Devi Agrawal	119520 0
	Balance Outstanding	338560 0
	Key Managerial Person	
	Directors Sitting Fees/ Audit Committee Fee	20000 9000
	Shri R.G. Agrawal	11000
	Dr S R. Sharma	9000
c	The details of amounts due to :-	
	Vertex Investments P. Ltd.	23173043 79224141
	Indrajit Solar Power P. Ltd.	3250000 3250000
	Rajesh Agrawal	6700000 6700000
	The details of amounts due from :-	
	Premier Proteins Limited	85335930 65600914

### 32 SEGMENT REPORTING

a Identification of Segments :- The company has identified Business segment as primary segment. The reportable business segments are Soya Division and Dairy Division. The type of products are Refines/Solvent oil, De-oiled cakes etc. in Solvent Division and Ghee, Skimmed Milk Powder (M) etc. in Dairy Division.

Segment Information: Particulars	Amount (Rs.)		Amount (Rs.)	
	Soya	Dairy	Others	Total
Revenue				
External Sales	196024593	468026293	0	665049886
Inter Segment Sales	(0)	(5)	(0)	(5)
	0	0	0	0
Results	(0)	(0)	(0)	(0)
	-32424705	5708814	-3047046	-29762937
Operating Profit	(0)	(0)	0	(-2)
	-32424705	7281788	-3047046	-28189983
Other Income	(0)	(0)	0	(0)
	1728407	1572954	94511	3395872
Profit Before Tax	(0)	(0)	(2283843)	(2283843)
	-30698298	5708814	-2952535	-27940018
Income Tax	(0)	(0)	(28636)	(28636)
	-3609596	0	0	-3609596
Net Profit	(0)	(0)	(216739)	(216739)
	-27085702	5708814	-2952535	-24330422
	(0)	(0)	(1188133)	(1188133)

## GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

c As at 31.03.2014 Segment Assets				
Segment Assets	545391011	291037416	143975400	743542186
Unallocated Assets	(0)	(0)	(284910217)	(284910217)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>545391011</b>	<b>291037416</b>	<b>143975400</b>	<b>743542186</b>
As at 31.03.2014 Segment Liabilities				
Segment Liabilities	(0)	(0)	(284910217)	(284910217)
Unallocated Liabilities	441701063	285328602	228992981	665520613
	(0)	(0)	(5567914)	(5567914)
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<b>441701063</b>	<b>285328602</b>	<b>228992981</b>	<b>665520613</b>
	(0)	(0)	(5567914)	(5567914)

Note: Figures in Brackets pertain to previous years.

### 33 EARNING PER SHARE

Particulars:			
Profit/Loss After Tax		-24,330,422	188,135
Less: Dividends on Preference Shares and Tax Thereon		0	0
Net Profit		<u>-24,330,422</u>	<u>188,135</u>
No. of Shares Basic		18590000	18470000
No. of Shares Diluted		18590000	18470000
Earning Per Share Basic		-1.31	0.01
Earning Per Share Diluted		-1.31	0.01

### 34 LEASES

In respect of Accounting Standard AS-19 "Lease" issued by The Institute of Chartered Accountants of India which is mandatory w.e.f. 01/04/01 and is applicable to all leased assets for which lease commences on or after 01/04/01, the company has not so far taken any assets on finance lease during the year. In respect of operating lease for premises (Office, factory, Godown etc.), the leasing arrangements which are not non-cancellable range between 11 months and 5 years generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rental payable are charged as rent under the head "office and administrative expenses".

### 35 EMPLOYEE BENEFIT

- The company has provided its Defined Benefit Plans facility towards Gratuity based on the simple calculation provided under the Gratuity Act. The Company has determined 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 if any at present uncertainable.
- As the Company has not separately investing any of his liability of Gratuity in any specific Govt. Bonds/Securities, hence the change in Assets if any have also been not provided/adjusted.
- Disclosures as required by revised AS-15 have also not been given in view of notes (a) & (b) above.

### 36 DISCLOSURE UNDER MICRO SMALL AND MEDIUM ENTERPRISES DEVELOPMENT LIMITED

Particulars		
The principal amount outstanding	2334084	0
The interest amount outstanding	0	0
The Principal amount paid beyond appointed dates	0	0
The interest amount paid on delay payments	0	0
The Amount Interest Due and Payable (Principal already paid)	0	0
The Amount of Interest Accrued and unpaid	0	0

### 37 VALUES OF IMPORTS CALCULATED ON CIF BASIS

0      ::



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<b>38 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>				
Others			0	0
<b>39 RAW MATERIAL CONSUMPTION</b>				
Particulars	<b>31.03.2014</b>	<b>%</b>	<b>31.03.2013</b>	<b>%</b>
Raw Material Imported	0	0%	0	0%
Indigenous	444035111	100%	0	100%
Spare Parts Imported	0	0%	0	0%
Indigenous	3377019	100%	0	100%
<b>40 CONTINGENT LIABILITY / COMMITMENTS</b>				
Particulars	<b>31.03.2014</b>		<b>31.03.2013</b>	
Contingent Liabilities				
Claims Not Acknowledged Debt	0		0	
Guaranty Given by Company	1015090		0	
Sales Tax Demand in Appeal/Revision	34905627		1704450	
Excise Duty in Appeal	818153		0	
Income Tax Demand under appeal (A.Y 2009-10)	19517760		20517760	
Commitments	0		0	

41 In the opinion of the Board, the current assets on Realisation in the ordinary course of business have a value at least equal to the amount at which these are stated and the provisions for known liabilities are adequate.

42 Sundry Debtors, Creditors and Advance account balances are subject to confirmation.

**43 PREVIOUS YEAR FIGURES**

- Previous Year Figures have been regrouped wherever necessary.
- Previous years figure represents standalone figure of Girdharilal Sugar and Allied Industries Ltd.
- Previous years figure are not comparable as the current financial year figures includes the effect the merger scheme also.

AS PER OUR REPORT OF EVEN DATE  
FOR **M/S. M.MEHTA & COMPANY**  
CHARTERED ACCOUNTANTS  
(Firm Reg. No. 005957C)

**C.A. NITIN BANDI**  
PARTNER  
(M.No.400394)  
PLACE: INDORE  
DATE: 30/08/2014

FOR AND ON BEHALF OF THE BOARD

**RAJESH AGRAWAL**  
CHAIRMAN & MANAGING DIRECTOR  
DIN NO.: 00107009

**VISHNU DATTA SHARMA**  
COMPANY SECRETARY  
M.No.: 31223

**R.G. AGRAWAL**  
DIRECTOR  
DIN NO.: 00369638

**GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED**

**FIXED ASSETS SCHEDULE**

PARTICULARS	ORIGINAL COST			DEPRECIATION AND AMORTIZATION			NET BOOK VALUE	
	01.04.2013 THE PERIOD OR ACQUANT (IF MERGER*)	OTHERS ADDITIONS DURING THE PERIOD	OTHERS DEDUCTIONS DURING THE PERIOD	01.04.2013 DURING THE PERIOD	01.04.2014 DURING THE PERIOD	31.03.2014	31.03.2014	31.03.2013
<b>TANGIBLE ASSETS</b>								
Land lease hold	0	222416	0	0	0	0	222416	0
Buildings	1	10271500	0	0	20271500	0	29263332	0
Plant and Equipment	0	209343203	1509159	0	210822392	0	180789366	0
Furniture and fixtures	486206	544000	0	0	1000206	0	706401	221554
Vehicles	13,351	100900	0	0	493251	0	287184	9688
<b>TOTAL</b>	<b>649637</b>	<b>24064119</b>	<b>1509159</b>	<b>0</b>	<b>242942945</b>	<b>0</b>	<b>290244603</b>	<b>231227</b>
<b>PREVIOUS YEAR</b>	<b>649637</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>649637</b>	<b>381537</b>	<b>28887</b>	<b>266105</b>

- (\*) Represents Assets transferred as per the merger scheme sanctioned by The BIFR vide its order dated 15.07.2014 at its fair value
- (i) Depreciation on the fixed assets have been provided on its fair value as sanctioned under BIFR order of merger without considering the unadjusted depreciation of certain old machines
- (ii) Depreciation on net fair value of assets (Fair value minus written down value of Assets as Transferor Company) have been directly charged to Fair Value Reserve Account (Rs. 72319625/-)
- (iii) Depreciation under the Income Tax Act have been considered to be allowed as per the W.D.V. Declined by the transferor company in its computation of Income Tax only