

**GIRDHARILAL SUGAR
AND ALLIED INDUSTRIES LIMITED**



29th Annual Report

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CORPORATE INFORMATION

| | |
|---|--|
| Board of Directors 1. Mr. Rajesh Agrawal- Chairman & Managing Director 2. Mr. Tarachand Jain - Non Executive Independent Director 3. Mr. Ram Gopal Agrawal- Non Executive Independent Director | Committees of Directors Audit Committee 1. Mr. Tarachand Jain - Chairman 2. Mr. Ram Gopal Agrawal - Member 3. Mr. Rajesh Agrawal - Member Nomination & Remuneration Committee 1. Mr. Tarachand Jain - Chairman 2. Mr. Ram Gopal Agrawal-Member 3. Mr. Rajesh Agrawal-Member Stakeholder's Relationship Committee 1. Mr. Tarachand Jain - Chairman 2. Mr. Ram Gopal Agrawal-Member 3. Mr. Rajesh Agrawal-Member |
| Company Secretary & Compliance Officer Mr. Vishnu Dutt Sharma | Registrar & Share Transfer Agent Purva Sharegistry India Private Limited 9, Shiv Shakti Ind. Estate, JR Boricha Marg, Near Lodha Excellus, Lower Parel (E) Mumbai- 400 011 www.purvashare.com Email: purvashr@gmail.com/busicomp@gmail.com Tel: 022-23016761 |
| Registered Office 45/47-A, Industrial Area No.1 A.B. Road, Dewas, Madhya Pradesh-455001 Website: www.gsail.org Email: preind2002@yahoo.com Tel: 07272-259505 | Auditors M/s. Sunil Bandi & Co., Chartered Accountants, Indore |
| Bankers Canara Bank | Corporate Identification Number : L15424MP1989PLC005564 |

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NOTICE

NOTICE is hereby given that the Twenty Ninth (29th) Annual General Meeting of the members of the Company will be held on Friday, 28th September, 2018 at the registered office of the Company at 45/47-A, Industrial Area No.1, A.B. Road, Dewas, Madhya Pradesh - 455001 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements for the year ended 31st March, 2018, the Report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajesh Agrawal, (DIN 00107009) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:**3. CONFIRMATION OF REMUNERATION OF COST AUDITOR**

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

“RESOLVED THAT, pursuant to section 148 (3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost records and Audit Rules), 2014 **M/s M. Goyal & Co, Cost Accountants** (Registration No.000051) be and are hereby appointed as the Cost Auditors of the company to conduct audit of cost records made and maintained by the company pertaining to edible oil and milk food activity for financial year commencing on 01.04.2018, and ending on 31.03.2019 at a remuneration of Rs. 35,000 (Rupees thirty five thousand only) plus GST and out-of-pocket expenses.”

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

Place: DEWAS (M.P.)
Date: 13th August, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on behalf of him/her and such proxy need not be a member of the company. Proxies duly stamped and signed must be deposited at the company's registered office not less than 48 hours before the time for the holding the meeting.
2. A person can act as proxy on behalf of members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. The relevant details as required under Regulation 27 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, of persons seeking re-appointment/appointment as Directors at the annual general meeting are annexed hereto.
4. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of the business under Item no. 3 is annexed hereto.
5. Members/ Proxies are requested to bring along with them Annual Reports being sent to them and should bring the attendance slip sent herewith, duly filled, in order to attend the meeting.
6. The Share Transfer Book and Register of Members of the Company will remain closed from 22nd September, 2018 to 28th September, 2018 (both days inclusive) for the purpose of Annual General Meeting of the Company.
7. Members are requested to send their queries, if any, at least seven days in advance of the meeting.
8. The Register of Director's Shareholding maintained under section 170 of the Companies Act, 2013, will be available for inspection at the venue to the Annual General Meeting of the company during the Annual General Meeting. The Register of Director's Share Holding is also available for inspection of the members at the registered office of the Company, fourteen days before and three days after, the date of the Annual General Meeting of the Company.
9. Members of the Company had approved appointment of M/s. Sunil Bandi & Co., Chartered Accountants, as the Statutory Auditors at the twenty eighth annual general meeting of the Company which is valid till the conclusion of the thirty third annual general meeting of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
10. The Company has connectivity from the CDSL and equity shares of the Company may also be held in the Electronic form with any Depository Participant (DP) with whom the members/ investors having their depository account. In case of any query/difficulty in any matter relating thereto may be addressed to the Share Transfer Agents Purva Shareregistry India Private Limited 9, Shiv Shakti, Ind. Estt, JR Boricha Marg, Near Lodha Excellus, Lower Parel (E) Mumbai- 400 011
11. To promote green initiative as per circular issued by Ministry of Corporate Affairs in 2011, Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number.
12. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those members who have not registered their email address with the Company or Depository Participant(s).
13. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore requested to submit their PAN and Bank Account Details to Purva Shareregistry India Pvt. Ltd. by sending a duly signed letter along with self attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should be in the name of the Member. In the alternative members are requested to submit a copy of bank passbook/ statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository participant.

Voting through electronic means**The Instructions for shareholders voting electronically are as under**

- (i) The voting period begins at 09.00 A.M. on Tuesday, 25th September, 2018 and ends at 5.00 P.M. on Thursday, 27th September, 2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, 21st September, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have cast their votes by e-voting prior to the AGM may also attend the meeting but shall not be entitled to cast their vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders tab.
- (v) Now Enter your User ID
 - a. For CDSL: I6 digits beneficiary ID,
 - b. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

| For Members holding shares in Demat Form and Physical Form | |
|---|--|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. I) If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT FOR ITEM 2 AND 3 OF THE NOTICE

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

Shri Rajesh Agrawal, aged about 55 years is the Chairman & Managing Director of the Company. He is one of the Promoters of the company. He is Commerce graduate and MBA from Devi Ahilya Vishwavidhyalaya, Indore and having more than 27 years of rich experience in the field of Business Management and forming the policies relating to Marketing and Human Resource Development.

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

None of the Directors, except Shri Rajesh Agrawal or his relatives are in any way concerned or interested, financially or otherwise, in the said resolution.

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

Item No. 3 – Confirmation of Remuneration of Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor M/s M. Goyal & Co., Cost Accountant (Firm Reg. No. 000051) to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, the audit fees will be 35000 /-plus GST and out of pocket expenses.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board Recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the Shareholders.

Place: DEWAS (M.P.)

Date: 13th August, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR

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

(Pursuant to Regulation 36 of the Listing Regulation)

| Particulars | Date of Birth | Date of Appointment | Qualifications | Expertise in specific functional areas | Chairman ships / Directorships/ Memberships of committees of other Public Companies |
|---------------------|---------------|---------------------|----------------|--|---|
| Shri Rajesh Agrawal | 03/03/1963 | 08.02.1993 | B.Com, MBA | Business Management | Premier Proteins Limited |

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the Twenty Ninth (29th) Annual Report and the Audited Financial Statements for the financial year ended 31st March, 2018.

1. Financial Highlights

The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Principles ('GAAP'), which include standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees (INR) which is also its functional currency.

The highlights of the financial results of the Company for the year ended 31st March, 2018 (IND AS Complaint) is summarized below :

| Particulars | (Rs in Lacs) | |
|---|--------------|-----------|
| | 2017-2018 | 2016-2017 |
| Sales, Interest and other receipts | 4661 | 11010 |
| Gross Profit before financial cost & Depreciation & Exceptional Items | 510 | 474 |
| Financial Cost | 305 | 290 |
| Depreciation | 205 | 204 |
| Exceptional Items | 48 | 143 |
| Other Comprehensive Income | 27 | 00 |
| Profit for the year | 75 | 123 |
| Less: Tax Expenses | (08) | 125 |
| Balance | 67 | 248 |
| Balance brought forward from last year | (1875) | (2058) |
| Impact of ind AS adjustments (Net) | (74) | (65) |
| Balance Carried to Balance Sheet | (1882) | (1875) |

2. Operational Highlights & Future Prospects

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

The net result of the current financial year was positive, mainly for Dairy Division. During the year under consideration, the Company's turnover and other receipts stands at Rs.4661 Lacs as against Rs.10945 Lacs in the previous year. The year ended with a profit of Rs.67 Lacs after considering interest, depreciation and adjustment for deferred tax as against profit of Rs.291 Lacs in the previous year.

In Dairy division the company has processed 26525 Kl of Milk and 672 Mt of S.N.F./Fat (including 20417 Kl of Milk on job work basis) as against 26809 Kl of milk and 1010 Mt of S.N.F./Fat in the previous year (Including 11133 Kl of Milk on job work basis) and has achieved a turnover of Rs 4558 Lacs as against Rs. 7816 Lacs in the previous year. The turnover includes sale value of manufactured products, trading goods as well as processing receipts for job work done on behalf of other established parties. It may be stated that in order to encash the opportunity, the Company has also traded in liquid milk, besides manufacturing pure ghee, SMP and processing milk on behalf of other parties. Demand for dairy products was partly subdued in the flush season due to initial understanding of provisions of Goods & Service Tax which was implemented w.e.f. July, 2017 as also unfavourable world trade scenario in Dairy Products.

The Company expects to achieve satisfactory performance in the forthcoming year by processing milk for self as well as on behalf of other reputed parties and also by trading in Dairy products including milk.

The Company could not start its soya operations due to disparity in the previous year. The Company may think of restarting its Soya operations in future only when the said operations become profitable. During the year, the Company had processed Nil MT of Soyabean seed as against 9386 MT in the previous year. The Soya Division recorded a turnover of Rs 103 lacs (trading) as against Rs.3097 lacs in the previous year.

3. Share Capital

The company's application to BSE/CDSL for listing/admission of 578887 shares issued to the shareholders of Premier Industries (India) Ltd (Transferor company) in terms of BIFR order dt 15/01/2014 is pending and the company expects to get their approval shortly.

4. Dividend

Due to financial prudence, no dividend is declared.

5. Directors

Shri Rajesh Agrawal (DIN:00107009) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The board on the recommendation of Nomination and Remuneration Committee has considered reappointment of him subject to approval of shareholder in the ensuing Annual General Meeting.

6. Deposits

During the year under review, your Company has not accepted any fixed deposits under Section 73 of the Companies Act, 2013.

7. Fixed Assets

During the year the company has added Fixed Assets of Rs. 7.58 Lakh. The Fixed Assets are adequately insured.

8. Management Discussion and Analysis

The Management's Discussion and Analysis of operations for the year under review, as stipulated under regulation 34 (2) (e) of the Listing Regulations, 2015 with the stock exchanges, is provided in annexure attached to this report.

9. E-Voting Facility

The company has already provided E-Voting facilities to the shareholders of the company.

10. Appointment of Cost Auditor

As per the Companies (Cost Records and Audit) Rules, 2014 as amended thereafter from time to time, the Company has appointed M/s. M. Goyal & Co., Cost Accountants, Jaipur (Raj.), as the Cost Auditors for the purpose of conduct of Cost Audit of the Cost Accounting Records of the Company for the Financial Year 2018-2019.

11. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies and applied them consistently and 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 at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

12. Number of Meetings of the Board

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

13. Board evaluation

The Board of Directors has carried out an Annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") laid down in Schedule V of the (Listing Regulations and Disclosure Requirements) Regulation, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on

the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

14. Audit committee

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

15. Auditors

At the AGM held in the year 2017, M/s. Sunil Bandi & Co., Chartered Accountants, Indore (M.P.) were appointed as the Statutory Auditors of the Company for the period of five years i.e. till the conclusion of the thirty third annual general meeting of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.

16. Auditors' report

Your Directors would like to provide following clarification on points mentioned in the Auditors Report.

A. Under Qualified Opinion

The Company has not provided for liabilities for Minimum Alternate Tax (MAT) under Income Tax Act, 1961 as the company is of the opinion :-

- a) That the Board for Industrial and Financial Reconstruction (BIFR), vide its order dated 15/01/2014, had ordered for merger of Premier Industries (India) Ltd.(Transferor Company) with Girdharilal Sugar And Allied Industries Limited (Transferee Company) with all its Assets and Liabilities.
- b) That the BIFR had provided in its order several reliefs and concessions to the merged Company (GSAIL). According to clause-16.7 of Relief & Concessions, BIFR has directed CBDT to consider "to exempt/grant relief to the company from the provisions of Section 41(1), 45,72(3), 43B, 79,80 read with 139, 115JB and provisions of Chapter-XVII of the Income Tax Act."
- c) That the Company in the meanwhile has approached the concerned Income Tax authorities for granting aforesaid relief under various Sections/Chapter of income Tax Act.

B. Under Emphasis on matter

- a). In respect of various unpaid/undisputed liabilities majority of which 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 as well as Relief Undertaking status which is likely to be granted by State Government of M.P in due course in terms of BIFR order.
- b) As regards non deposition of unclaimed Debenture amount your Directors would like to state that BIFR vide its order dt 15/01/2014, under clause 16.1.2 (Debenture Holders) has given direction "to exempt the Company from the provisions of section 205 C of The Companies Act 1956 (now section 125 of The Companies Act 2013).

17. Secretarial auditors' report

Secretarial auditors' report does not contain any major qualifications, reservations or adverse remarks. The company is complying with all necessary formalities and further improvements are being made as an annexure which forms part of this report.

18. Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

19. Transaction with Related Party

The transaction with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in the Financial Statement.

20. Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure II in the prescribed Form MGT-9, which forms part of this report.

21. Particulars of employees

The Company has not paid any remuneration attracting the provisions of the Companies Act, 2013 under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. Disclosure requirements

As per Regulation 36 of the listing obligation entered into with the stock exchanges, corporate governance report with practicing company secretary's report thereon and management discussion and analysis are attached, which form part of this report.

The Company has formulated a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act.

23. Code of conduct

The Board has laid down a code of conduct for all Board members and Senior Management Personnel of the Company. Board members and senior management personnel have affirmed compliance with the said code of conduct for the financial year 2017-18.

24. Listing

The equity shares of the Company are listed with Bombay Stock Exchange and efforts are being made to lift the suspension of trading in NSE. The Shares of the company is admitted at CDSL and efforts are being made to get it admitted at NSDL.

25. Conservation of Energy, Research and Development, Technology Absorption, Foreign exchange Earning and outgo

The details regarding Energy Conservation, Technology Absorption, Foreign Exchange Earning and outgo as required by section 134 (3m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are given in **Annexure-1** and forms part of this report.

26. Corporate Governance

The Company has been practicing the principles of good Corporate Governance during the year. As required under Regulation 27 of the Listing Obligation with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Auditors certificate on Corporate Governance form part of the Annual Report. Your Company is also following the Secretarial Standard norms issued by the Institute of Company Secretaries of India (ICSI).

27. Acknowledgement

Your Directors place on record their sincere appreciation for significant contribution made by employees through their dedication, hard work and commitment.

Your Directors also acknowledge the support extended by the Bankers, Government agencies, Shareholders and Investors at large and look forward to receive the same support for our endeavor to grow consistently.

Place: DEWAS (M.P.)

Date: 6th June, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL

CHAIRMAN & MANAGING DIRECTOR

ANNEXURE -I
PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO.

Information as required under section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is set out hereunder:

A. CONSERVATION OF ENERGY**(a) Energy Conservation Measures taken:**

The following measures have been taken by the Company for conservation of energy.

1. The Company has completed modernization programme during the year. A new Agro/Baggage based efficient Boiler was installed together with upgradation of other Plant & Equipments including electrical fittings.
2. Utilizing proper load of plant and equipments, electronic motors etc.
3. Reducing the maximum demand proper distribution of load.

(b) Impact of the above measures: The above measures would lead to all round saving in cost and improved performance of the plant.

(c) Foreign Exchange:

1. **Earned NIL**
2. **Outgo NIL**

| | Current year | Previous year |
|--|--------------|---------------|
| POWER & FUEL CONSUMPTION | | |
| Electricity | | |
| Purchased Unit | 1731428.00 | 1777306.00 |
| Total Amount | 13705668.00 | 14538214.00 |
| Average Rate/Unit Paisa | | |
| OWN GENERATION | | |
| Through Diesel Generator Units | - | - |
| Cost of Diesel oil | - | - |
| Cost/Unit Paisa | - | - |
| Through steam turbine/Generator Unit | N.A. | N.A. |
| Unit per liter of fuel oil gas cost/unit | N.A. | N.A. |
| Coal (Specify quality and where used) | | |
| Quantity (Tones MT) (BCD grade and slack) | 2996.60 | 3529.15 |
| TOTAL AMOUNT | 20710890.00 | 19020094.00 |
| Average rate per MT | 6953.63 | 5389.43 |
| HUSK/Bio Coal | | |
| Quantity | - | 1353.68 |
| Total Amount | - | 5174010.00 |
| Average Rate/MT | - | 3822.16 |
| OTHER/INTERNAL GENERATIONS | | |
| Quantity 7 | N.A. | N.A. |
| Total Cost | N.A. | N.A. |
| Rate/ Unit | N.A. | N.A. |
| CONSUMPTION PER UNIT OF PRODUCTION | | |
| (See note below) Standard (If any) | | |
| Products (with details) Unit | NIL | NIL |
| Electricity KWH/MT | NIL | NIL |
| Furnace oil Liter/MT | NIL | NIL |
| Coal (Specify Quality) 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.

Place: DEWAS (M.P.)
Date: 6th June, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESHAGRAWAL
CHAIRMAN & MANAGING DIRECTOR

Form No.MGT-9

Annexure II

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| 1. REGISTRATION AND OTHER DETAILS : | |
|--|---|
| 1. CIN: | L15424MP1989PLC005564 |
| 2. Registration Date: | October 27, 1989 |
| 3. Name of the Company: | Girdharilal Sugar And Allied Industries Limited |
| 4. Category / Sub-Category of the Company: | Company Limited by shares / Indian Non-Government Company |
| 5. Address of the Registered office and contact details: | 45/47-A, Industrial Area No.1, A.B. Road, Dewas (M.P.) Phone:- 07272-258502, 259505 |
| 6. Whether listed company: | Yes |
| 7. Name, Address and Contact details of Registrar and Transfer Agent, if any | Registrar & Share Transfer Agent Purva Sharegistry India Private Limited 9, Shiv Shakti, Ind. Estt, J R Boricha Marg, Near Lodha Excellus, Lower Parel (E) Mumbai- 400 011 www.purvashare.com |

2. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr. No. | Name and Description of main products / services | NIC Code of the Product / Service | % to total turnover of the Company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | Soya Product | 10406,10402 | 00.22% |
| 2. | Dairy Product | 10502,10504 | 99.78% |

3. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

| | Category of Shareholders | No. of Shares held at the beginning of the year i.e. 01.04.2017 | | | | No. of Shares held at the end of the year i.e. 31.03.2018 | | | | % Change during the year |
|--|---|---|----------------|-----------------|-------------------|---|----------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | | |
| a. | Individuals / Hindu Undivided Family | 7487700 | 2136923 | 9624623 | 50.21 | 7487700 | 2135823 | 9623523 | 50.21 | 0.00 |
| b. | Central Government /State Governments(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. | Bodies Corporate | 1062600 | 2202168 | 3264768 | 17.03 | 1062600 | 2202168 | 3264768 | 17.03 | 0 |
| d. | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. | Others – Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (1) | | 8550300 | 4339091 | 12889391 | 67.24 | 8550300 | 4337991 | 12888291 | 67.24 | 0.00 |
| 2. Foreign | | | | | | | | | | |
| a. | Individuals (Non-Resident Individuals/ Foreign Individuals) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b. | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c. | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. | Others - Trust | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (A) (2) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Shareholding of Promoter and Promoter Group (A) | | 8550300 | 4339091 | 12889391 | 67.24 | 8550300 | 4337991 | 12888291 | 67.24 | 0.00 |
| B. Public Shareholding | | | | | | | | | | |
| I. Institutions | | | | | | | | | | |
| a. | Mutual Funds / UTI | 286700 | 5 | 286705 | 1.50 | 286700 | 5 | 286705 | 1.50 | 0 |

| | | | | | | | | | | |
|--|--|----------------|----------------|-----------------|---------------|----------------|----------------|-----------------|---------------|--------------|
| b. | Financial Institutions/ Banks | 218600 | 336 | 218936 | 1.14 | 198936 | 0 | 198936 | 1.03 | -0.11 |
| c. | Central Government / State Governments(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e. | Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f. | Foreign Institutional Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g. | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| h. | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. | Foreign Portfolio Investors (Corporate) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| j. | Any Other (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub-Total (B) (1) | | 505300 | 341 | 505641 | 2.64 | 485636 | 5 | 485641 | 2.53 | -0.11 |
| 2. Non- Institutions | | | | | | | | | | |
| a. | Bodies Corporate | 27700 | 217338 | 245038 | 1.28 | 48400 | 217338 | 265738 | 1.39 | 0.11 |
| b. | Individuals - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. | Individual shareholders holding nominal share capital upto Rs. 2 lakh | 198700 | 4973170 | 5171870 | 26.98 | 219300 | 4902250 | 5121550 | 26.72 | -0.26 |
| ii. | Individual shareholders holding nominal share capital in excess of Rs.2 lakh | 0 | 287500 | 287500 | 1.50 | 87800 | 287500 | 375300 | 1.96 | -0.46 |
| c. | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d. | Any Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. | Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i. | Foreign Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| iii. | Clearing Members / Clearing House | 14600 | 0 | 14600 | 0.08 | 15600 | 0 | 15600 | 0.08 | 0.01 |
| iv. | Hindu Undivided Family | 46300 | 9867 | 56167 | 0.29 | 9900 | 6867 | 16767 | 0.09 | -0.20 |
| Sub-total (B) (2) | | 287300 | 5487875 | 5775175 | 30.13 | 381000 | 5413955 | 5794955 | 30.23 | 0.10 |
| Total Public Shareholding (B) = (B)(1)+(B)(2) | | 792600 | 5488216 | 6280816 | 32.77 | 866636 | 5413960 | 6280596 | 32.76 | 0.01 |
| TOTAL (A)+(B) | | 9342900 | 9825987 | 19168887 | 100.00 | 9416936 | 9751951 | 19168887 | 100.00 | 0.00 |
| C. | Shares held by Custodians and against which Depository Receipts have been issued | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GRAND TOTAL (A)+(B)+(C) | | 9342900 | 9825987 | 19168887 | 100.00 | 9416936 | 9751951 | 19168887 | 100.00 | 0.00 |

ii. Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year 01.04.2017 | | | Shareholding at the end of the year 31.03.2018 | | | % change in share holding during the year |
|------------|--------------------------------------|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | |
| 1. | Vertex Investments Pvt.Ltd | 2148951 | 11.21 | 0.00 | 2148951 | 11.21 | 0.00 | 0.00 |
| 2. | Shri R. K. Agrawal | 1600800 | 8.35 | 0.00 | 1600800 | 8.35 | 0.00 | 0.00 |
| 3. | Girdharilal Rajesh Kumar (H.U.F.) | 966320 | 5.04 | 0.00 | 966320 | 5.04 | 0.00 | 0.00 |
| 4. | Yukti Investment Pvt. Ltd. | 755676 | 3.94 | 0.00 | 755676 | 3.94 | 0.00 | 0.00 |
| 5. | R.K. Agrawal (H.U.F.) | 1357000 | 7.07 | 0.00 | 1357000 | 7.08 | 0.00 | 0.00 |
| 6. | Mrs. Bimla Agrawal | 1472114 | 7.67 | 0.00 | 1472114 | 7.68 | 0.00 | 0.00 |
| 7. | Shri Ram Gopal Agrawal | 471335 | 2.46 | 0.00 | 471335 | 2.46 | 0.00 | 0.00 |
| 8. | Mrs. Sangeeta Agrawal | 1387820 | 7.24 | 0.00 | 1387820 | 7.24 | 0.00 | 0.00 |
| 9. | Vastu Commodities Pvt. ltd. | 360141 | 1.87 | 0.00 | 360141 | 1.88 | 0.00 | 0.00 |
| 10. | Mrs. Suman Agrawal | 236500 | 1.23 | 0.00 | 236500 | 1.23 | 0.00 | 0.00 |
| 11. | R.G. Agrawal (HUF) | 216730 | 1.13 | 0.00 | 216730 | 1.13 | 0.00 | 0.00 |
| 12. | Mrs.Preeti Agrawal | 952600 | 4.96 | 0.00 | 952600 | 4.97 | 0.00 | 0.00 |

| | | | | | | | | |
|-----|------------------------|-----------------|--------------|-------------|-----------------|--------------|-------------|--------------|
| 13. | Shri Kushal Agrawal | 952700 | 4.96 | 0.00 | 952700 | 4.97 | 0.00 | 0.00 |
| 14. | Mrs.Sushila Tulsian | 1083 | 0.01 | 0.00 | 1083 | 0.01 | 0.00 | 0.00 |
| 15. | Pramod Kumar Bairoliya | 1003 | 0.01 | 0.00 | 1003 | 0.01 | 0.00 | 0.00 |
| 16. | Sahadi Devi Bairoliya | 1000 | 0.01 | 0.00 | 1000 | 0.01 | 0.00 | 0.00 |
| 17. | Geeta Devi Agrawal | 850 | 0.00 | 0.00 | 850 | 0.00 | 0.00 | 0.00 |
| 18. | Vinod Kumar Bairoliya | 733 | 0.00 | 0.00 | 733 | 0.00 | 0.00 | 0.00 |
| 19. | Anand Kumar Bairoliya | 1683 | 0.01 | 0.00 | 683 | 0.00 | 0.00 | -0.01 |
| 20. | Usha Devi Bairoliya | 561 | 0.00 | 0.00 | 561 | 0.00 | 0.00 | 0.00 |
| 21. | Lalita Devi Bairoliya | 661 | 0.00 | 0.00 | 561 | 0.00 | 0.00 | -0.00 |
| 22. | Uma Devi Bairoliya | 461 | 0.00 | 0.00 | 461 | 0.00 | 0.00 | 0.00 |
| 23. | Swati Agrawal | 150 | 0.00 | 0.00 | 150 | 0.00 | 0.00 | 0.00 |
| 24. | Anjana Poddar | 5 | 0.00 | 0.00 | 5 | 0.00 | 0.00 | 0.00 |
| 25. | Fractional Shares | 2514 | 0.01 | 0.00 | 2514 | 0.01 | 0.00 | 0.00 |
| | Total | 12888071 | 67.23 | 0.00 | 12888291 | 67.24 | 0.00 | -0.01 |

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

The same is disclosed in point (ii) shareholding of promoters.

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sr. No. | Top 10 Shareholders* | Shareholding at the beginning of the year 01-04-2017 | | Cumulative Shareholding end of the year 31-03-2018 | |
|---------|------------------------------------|--|----------------------------------|--|----------------------------------|
| | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Punjab national Bank | 368400 | 1.92 | 368400 | 1.92 |
| 2. | Admn. Specified Undertaking of UTI | 218600 | 1.14 | 198600 | 1.04 |
| 3. | Thor Investments Limited | 100300 | 0.52 | 100300 | 0.52 |
| 4. | Bina Atul Chauhan | 00 | 0.00 | 67200 | 0.35 |
| 5. | Rajesh Kumar | 66000 | 0.34 | 66000 | 0.34 |
| 6. | Madan & Co.Ltd. | 60000 | 0.31 | 60000 | 0.31 |
| 7. | Sanjay Tekriwal | 54500 | 0.28 | 54500 | 0.28 |
| 8. | Sandeep Kumar | 34900 | 0.18 | 34900 | 0.18 |
| 9. | R B Jaju Securities India Pvt Ltd | 13000 | 0.07 | 29500 | 0.15 |
| 10. | Sonal S.Shah | 27500 | 0.14 | 27500 | 0.14 |

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

v. **Shareholding of Directors and Key Managerial Personnel :**

| Sr. No. | Directors & Key Managerial Personnel | Date | Reason | Shareholding at the beginning of the year 01-04-2017 | | Cumulative Shareholding during the year | |
|---------|--------------------------------------|-------------|------------------------------|--|----------------------------------|---|----------------------------------|
| | | | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1. | Mr. Rajesh Agrawal | 1-Apr-2017 | At the beginning of the year | 1600800 | 8.35 | 1600800 | 8.35 |
| | | 31-Mar-2018 | At the end of the year | 1600800 | 8.35 | 1600800 | 8.35 |
| 2. | Mr. Ram Gopal Agrawal | 1-Apr-2017 | At the beginning of the year | 471335 | 2.46 | 471335 | 2.46 |
| | | 31-Mar-2018 | At the end of the year | 471335 | 2.46 | 471335 | 2.46 |
| 3. | Mr. Tarachand Jain | 1-Apr-2017 | At the beginning of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| | | 31-Mar-2018 | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |
| 4. | Smt. Sangeeta Agrawal* | 1-Apr-2017 | At the beginning of the year | 1387820 | 7.24 | 1387820 | 7.24 |
| | | 31-Mar-2018 | At the end of the year | 1387820 | 7.24 | 1387820 | 7.24 |
| 5. | Mr. Vishnu Dutt Sharma | 1-Apr-2017 | At the beginning of the year | 0.000 | 0.00 | 0.000 | 0.00 |
| | | 31-Mar-2018 | At the end of the year | 0.00 | 0.00 | 0.00 | 0.00 |

*Mrs. Sangeeta Agrawal resigned from the board w.e.f. 04.05.2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs.in Crores)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|----------------------------------|-----------------|------------|--------------------|
| Indebtedness at the beginning of the financial year | | | | |
| i. Principal Amount | 14.81 | 7.86 | NIL | 22.67 |
| ii. Interest due but not paid | - | - | - | |
| iii. Interest accrued but not due | - | - | - | |
| Total (i+ii+iii) | 14.81 | 7.86 | - | 22.67 |
| Change in indebtedness during the financial year | | | | |
| • Addition | 1.09 | - | NIL | 1.09 |
| • Reduction | - | 1.16 | - | 1.16 |
| Net Change | 1.09 | -1.16 | - | -0.07 |
| Indebtedness at the end of the financial year | | | | |
| i. Principal Amount | 15.90 | 6.70 | NIL | 23.61 |
| ii. Interest due but not paid | - | - | - | |
| iii. Interest accrued but not due | - | - | - | |
| Total (i+ii+iii) | 15.90 | 6.70 | NIL | 22.60 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(Rs. In lakh)

| Sr. No. | Particulars of Remuneration | Name of MD/ WTD/ Manager | Company Secretary | Total Amount |
|---------|---|--------------------------|------------------------|--------------|
| | | Mr. Rajesh Agrawal | Mr. Vishnu Dutt Sharma | |
| 1. | Gross salary | 12.60 | 2.49 | 15.09 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | - | - | - |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961 | - | - | - |
| 2. | Stock Option | - | - | - |
| 3. | Sweat Equity | - | - | - |
| 4. | Commission- as % of profit | - | - | - |
| 5. | Others, Allowances | - | - | - |
| | Total (A) | 12.60 | 2.49 | 15.09 |
| | Ceiling as per the Act (@ 10% of profits calculated under Section 198 of the Companies Act, 2013) | - | - | - |

B. Remuneration to other directors: (Refer Corporate Governance Report for details)

(Rs.in Rupees)

| Sr. No. | Particulars of Remuneration | Fee for attending board / committee meetings | Commission | Others, please specify | Total Amount |
|-----------|--|--|------------|------------------------|--------------|
| 1. | Independent Directors | | | | |
| | Mr. Ram Gopal Agrawal | 8000 | - | - | 8000 |
| | Mr. Tarachand Jain | 12000 | - | - | 12000 |
| | Total (1) | 20000 | - | - | 20000 |
| 2. | Other Non-Executive Directors | | | | |
| | Smt. Sangeeta Agrawal | - | - | - | - |
| | Total (2) | - | - | - | - |
| | Total (B)=(1+2) | 20000 | - | - | 20000 |
| | Total Managerial Remuneration | | | | |
| | Ceiling as per the Act (@ 1% of profits calculated under Section 198 of the Companies Act, 2013) | - | - | - | - |

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

(Pursuant to Section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To
The Members,
Girdharilal Sugar and Allied Industries Limited,
45/47-A, Industrial Area No.1,
A.B. Road, Dewas (MP)-455001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Girdharilal Sugar And Allied Industries Limited (hereinafter called as “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (“Audit period”) complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute’s books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the Company during the audit period).
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client ;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the Company during the audit period).
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and (not applicable to the Company during the audit period).

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observations that the systems and processes in the company is required to be further improved so as to commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the company is taking effective steps therefor.

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive director and non executive director. Independency of Independent Director could not be verified. The Company, however confirm proper compliance of the same. The changes in the composition of the Board of Directors that took place during the period under review but some compliances are still pending according to the provisions of the Act.

Adequacy of notice is given to all Directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that a few irregularities might not have been traced due to non presentation of proper evidence at the time of verification and hence not been reported.

**for R Lohia & Co.
Company Secretaries**

**Date : 06th June 2018
Place : Indore**

**Rajesh Lohia
(Proprietor)
FCS:4548
CP:2694**

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The corporate vision is to become a highly efficient, competent and qualitative manufacturing, trading and exporting house by utilizing best resources both in the domestic market as well as in the overseas market. The company is in the compliances with the requirement stipulated under Regulation 27 of the SEBI Listing Regulation, 2015 entered into with the Stock Exchange with regards to Corporate Governance.

Internal Control Systems

The Company has both external and internal audit systems in place. The Board and the Management periodically review the findings and recommendations of the auditors and take necessary corrective actions whenever required.

2. BOARD OF DIRECTORS

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness.

Composition of Board

The Company is having an appropriate size of the Board for real strategic discussion and avails the benefits of diverse experience and viewpoints.

Board Meetings held during the year

During the year 2017-18, Five Meetings of the Board of Directors were held.

The details of attendance of Directors for the year 2017-18 at the Board Meetings and at the last Annual General Meeting are given below:

| Name of Director | Category | Board Meeting | Attendance at Last AGM |
|------------------------|------------------------------------|---------------|------------------------|
| Mr. Rajesh Agrawal | Chairperson & Managing Director | 5 | YES |
| Mr. T. C. Jain* | Non-Executive Independent Director | 4 | YES |
| Mr. Ram Gopal Agrawal | Non-Executive Independent Director | 5 | YES |
| Mrs. Sangeeta Agrawal* | Non-Executive Women Director | 5 | YES |

* Mr. T.C. Jain was appointed as an Additional Director with effect from 01.06.2017.

* Mrs. Sangeeta Agrawal has resigned from the Board with effect from 04.05.2018.

Board Support

The Company Secretary of the company attends all the meetings of Board and advises / assures the Board on Compliance and Governance principles.

3. AUDIT COMMITTEE

Composition of Audit Committee, its Meetings and Attendance

The Chairman of the Audit Committee is Mr. T. C. Jain. During the year 2017-18, Five Audit Committee Meetings were held.

The composition of the Audit Committee and number of meetings attended by the Members are given below:

| Name of Director | Position held in Committee | No of Meetings attended |
|-----------------------|----------------------------|-------------------------|
| Mr. T. C. Jain* | Chairman | 4 |
| Mr. Ram Gopal Agrawal | Member | 5 |
| Mr. Rajesh Agrawal | Member | 5 |

* Mr. T.C. Jain became member of the Audit Committee with effect from 01.06.2017.

4. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition of the Committee, its Meetings and Attendance

The Chairman of the Stakeholders Relationship Committee is Mr. T. C. Jain. During the year 2017-18, Five Meetings of the committee were held. The composition of the Stakeholders Relationship Committee and number of meetings attended by the Members are given below:

| Name of Director | Position held in Committee | No of Meetings attended |
|-----------------------|----------------------------|-------------------------|
| Mr. T. C. Jain* | Chairman | 4 |
| Mr. Ram Gopal Agrawal | Member | 5 |
| Mr. Rajesh Agrawal | Member | 5 |

* Mr. T.C. Jain became member of the Stakeholders Relationship Committee with effect from 01.06.2017.

5. NOMINATION AND REMUNERATION COMMITTEE

Composition of the Committee, its Meetings and Attendance

The Chairman of the Nomination & Remuneration Committee is Mr. T. C. Jain. During the year 2017-18 Five Meetings of the committee were held.

The composition of the Nomination & Remuneration Committee and number of meetings attended by the Members are given below:

| Name of Director | Position held in Committee | No of Meetings attended |
|-----------------------|----------------------------|-------------------------|
| Mr. T. C. Jain* | Chairman | 4 |
| Mr. Ram Gopal Agrawal | Member | 5 |
| Mr. Rajesh Agrawal | Member | 5 |

* Mr. T.C. Jain became member of the Nomination & Remuneration Committee with effect from 01.06.2017.

6. DISCLOSURES

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 familiarize themselves with the Code and comply with the same.

The code includes provision where the employees of the company can voice their concern on violation and potential violation of the Code in a responsible and effective manner.

Accounting Treatment in Preparation of Financial Statements

The Company has followed the guidelines of Accounting Standard laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its Financial Statements.

Management Discussion and Analysis Report

The Management discussion and analysis report is prepared in accordance with the requirement of the SEBI Listing Regulations, 2015 and shall form part of the Annual Report to the shareholders.

The AGM for the year 2016-17 was held at the registered office on 29th September, 2017.

Details of Special Resolution passed at Extra-ordinary General Meeting in last Two years

During the year 2016-17 and 2015-16 no Extra-ordinary general Meeting was held.

Passing of Resolution by Postal Ballot

During the previous year, no resolution was passed through postal ballot.

Annual General Meeting for the financial year 2017-18

| | |
|-------------------------------------|---|
| Date | Friday, 28 th September, 2018 |
| Venue | 45/47-A, Industrial Area No.1, A.B. Road, Dewas (M.P.)455001, India |
| Time | 10.00 A.M. |
| Book closure date | Saturday, 22 nd September, 2018 to Friday, 28 th September, 2018 (Both days inclusive) |
| Cutt- off-date | Friday, 21 st September, 2018. |
| Last date of receipt of Proxy forms | 26 th September, 2018. (Before 10.00 A.M. at the Registered office of the Company) |

Listing Details

At present, the Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) and Listing on National Stock Exchange of India Limited (NSE) is suspended & steps are taken to lift the same.

7. Compliance

Mandatory Requirements

The Company has fully complied with the applicable mandatory requirements of Schedule V of the SEBI, (Listing Regulations and Disclosure Requirements) Regulation, 2015.

Compliance on Corporate Governance

The quarterly compliance report on Corporate Governance has been submitted to the Stock Exchanges where the Company's Equity Shares are listed in the requisite format duly signed by the Compliance Officer.

Reconciliation of Share Capital

As stipulated by SEBI, during the year the Company had complied with the Regulation 55A of SEBI (D&P) Regulation 1996 by obtaining from a qualified Practicing Company Secretary 'Reconciliation of Share Capital Audit Report' to reconcile the total admitted, issued and listed capital with the Central Depository Services (India) Limited (CDSL) and Stock Exchanges.

Auditors Qualification on Financial Statement

The Directors, in their report dated 06.06.2018 have clarified on any qualification/emphasis on matters given by the Auditors in their report for financial year 2017-18.

Practicing Company Secretary Certificate on Corporate Governance

The Company has obtained a Certificate from Practicing Company Secretary testifying to its compliance with the provision relating to Corporate Governance laid down in Schedule V of the SEBI, (Listing Regulations and Disclosure Requirements) Regulation, 2015. The Certificate is annexed to this Report and the same will be sent to the Stock Exchange along with the Annual Report to be filed by the Company. In addition to the certificate the secretarial auditor has also issued a certificate on corporate governance as part of the secretarial audit.

8. CEO/CFO Certification

As required by SEBI (Listing Regulations and Disclosure Requirements), Regulation, 2015, the CEO/CFO Certification is provided in this Annual Report.

9. Report on Corporate Governance

A separate section on Corporate Governance forms a part of the Annual Report. This Chapter read together with the information given in the chapter entitled Management Discussion and Analysis and Shareholders information, constitute a detailed compliance report on Corporate Governance during 2017-18.

10. Code of Conduct

In compliance with Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013, the company has framed and adopted a code of Conduct ("the Code"). The code is applicable to the members of the Board, the executive officers and all employees of the Company. The code is available on our website, www.gsail.org.

All members of the Board, the executive officers and senior financial officers have affirmed compliance to the code as on March 31st, 2018.

A declaration to this effect, signed by the CEO/MD/CFO, forms part of the CEO AND CFO certification.

11. Remote e-voting and ballot voting at the AGM

To allow the shareholders to vote on the resolutions passed at the AGM, the Company has arranged for a remote e-voting facility. The company has engaged CDSL to provide e-voting facility to all the members. Members, whose name appears on the register of members as on Friday, 21st September, 2018 shall be eligible to participate in the e-voting.

The facility for voting through ballot will also be made available at the AGM, and members who have not already cast their vote by remote e-voting can exercise their vote at the AGM.

Place: DEWAS (M.P.)

Date: 6th June, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR

CEO/CFO CERTIFICATION TO THE BOARD

To
The Board of Directors
Girdharilal Sugar and Allied Industries Limited
Dewas (M.P.)

Dear members of the Board,

I, Rajesh Agrawal, Chairman & Managing Director of the company, to the best of my knowledge and belief, certify that:

1. We have reviewed Balance Sheet, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows and a summary of the significant accounting policies and other explanatory information of the Company and the Board report.
2. These statement do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. These financial statements, and other financial information included in this report, present in all material respect a true and fair view of the company's affairs, the financial condition, result of operations and cash flows of the Company as at, and for, the period presented in this report, and are in compliance with the existing accounting standards and /or applicable laws and regulations including compliance with the Indian Accounting Standards (IND-AS) and the rules notified under the relevant provisions the Companies Act 2013.
4. There are no transactions entered into by the company during the year that are fraudulent, illegal or violative the company's Code of Conduct and Ethics, except as disclosed to the company's auditors and the Company's audit committee of the Board of Directors.
5. 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.
6. 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 voilative of the company's code of conduct.
7. 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 and
 - iii) There is no instance of significant fraud, involving management or employee of the Company.
8. We affirm that we have not denied any personnel access to the audit committee of the company (in respect of matters involving alleged misconduct) and we have provided protection to whistle blower from unfair termination and other unfair or prejudicial employment practices.
9. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

Place: DEWAS (M.P.)

Date: 6th June, 2018

FOR GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED
RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR

PRACTICING COMPANY SECRETARY CERTIFICATE ON CORPORATE GOVERNANCE

To
The Board of Directors
Girdharilal Sugar and Allied Industries Limited
Dewas (M.P.)

We have examined the compliance of corporate governance by Girdharilal Sugar And Allied Industries Limited for the year ended on 31st March, 2018 as stipulated in Regulation 17 to 27 of the Listing Regulation and relevant provisions of Securities And Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015("Listing Regulations").

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedure and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by Directors and the Management we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations as applicable .

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

for and on behalf of
M/s. R. Lohia & Co.,

Rajesh Lohia
Practicing Company Secretary
(CP .No.2694)

Place: Indore (M.P.)
Date: 6th June, 2018

THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT.**INDUSTRY STRUCTURE AND DEVELOPMENT**

The company is having a Dairy plant where it process milk to manufacture pure ghee and skimmed milk powder at its manufacturing facilities at 45/47-A, Industrial Area No.1, A.B. Road, Dewas. The Dairy business though subdued in F.Y 2017-18, yet is expected to grow in future and the company would like to take advantage of the brand image of its dairy products. The company has taken steps to modernize Dairy business.

The company is also having a Soya Solvent Plant for processing of soya bean seed to extract oil and DOC. However, due to disparity in soya operations for the last few years, the management of the company has decided to close the Soya Unit till favorable economies in the Soya operations. However the soya scenario looks dim in the next Financial Year also.

Economic Backdrop and Financial Environment

The Company's Dairy Plant is situated at Malwa Region of Madhya Pradesh which is rich in milk production. Being first in Private Sector in Dairy business at M.P., the Company is having advantages in procurement of milk and other inputs inspite of competition and other bottlenecks. The management is continuously exploring new sources of milk procurement as well as new market for finished goods to improve the profit margin. Similarly to attain higher production capacity utilization, the Company is entering into processing arrangement with milk cooperatives.

Outlook

The 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 quiet beneficial in the long run and shall provide various opportunities to the company in Dairy business. The company is trying to keep up with the pace of growth of the Indian Economy.

Opportunities

The recent modernization and expansion programme completed during F.Y. 2017-18 has enabled the company to reduce cost of production substantially. The Management has also plan to introduce new value added products in the near future. The Company is also trying to tap new areas for marketing its Dairy Products.

Threats

The biggest threat faced by the Company is the establishment of smaller capacity Dairy Plants at milk producing area which may affect the margins of existing plants due to higher procurement cost of milk. The prevailing price of dairy products in international market as well as Govt policies may affect the margins in the Dairy Industry.

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. Due to the professional approach of the management, the company has rarely faced any unrest or discomfort in connection with employee's relation even during restructuring of employees/labour force post closure of soya operations. The employees' relation remained cordial during the year.

Place: DEWAS (M.P.)

Date: 6th June, 2018

FOR AND ON BEHALF OF THE BOARD

RAJESH AGRAWAL
CHAIRMAN & MANAGING DIRECTOR

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF
GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED****REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying standalone Ind AS financial statements of GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED (The Company), which comprises the Balance sheet as at 31st March, 2018, the statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

BASIS OF QUALIFIED OPINION

The company has not provided Rs.1,01,09,852/-, for the year 2014-15 and Rs.57,98,339/- for the year 2015-16, 34,21,667/- for the year 2016-17 and Rs. 51,44,040 for the year 2017-18, towards MAT payable as per Sec I 5JB of Income Tax Act, 1961, Refer Note No.36 of notes to accounts. Had the above liability been considered there would have been a profit of Rs.1592019/- as against the reported profit of Rs.67,36,059/- and other equity as at the balance sheet date would have been Rs. (-) 4,06,23,393/- as against reported figure of Rs.(-) 1,61,49,495/-

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone Ind AS financial statements 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, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive

income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

EMPHASIS ON MATTERS

We draw attention to the following matters in the Notes to the financial Statement:

- a) Note No. 37 in respect of interest liability on unpaid undisputed statutory dues if any.
Our opinion is not modified in respect of this matter.
- b) Note No. 22(c) in respect of non-deposition of unclaimed debentures amount to Investors Education and Protection Fund Account.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements 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, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) order, 2015 ("the order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 we give in the annexure a statement on the matters specified in paragraphs 3 and 4 and 5 of the order to the extent applicable.
2. **As required by section 143(3) of the Act, we report that:**
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. 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 of the Company.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid Standalone Ind AS financial Statements dealt with by this report comply with the account standards specified under section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014.
 - e. On the basis of written information received from the directors of the Company and taken on record by the Board of Directors as on 31st March 2018, and the information and explanations given to us, we report that none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of subsection (2) of section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:-
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note no.41 to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) According to the information and explanations given to us, the company has not transferred a sum of Rs.99.03 lacs to an account of unclaimed debenture account. However as per BIFR order dated 15.01.2014, the company was exempted from the provisions of Sec 125 of the Companies Act 2013 (earst while section 205C of the Companies Act 1956) and deferred the same payment till 2016-17. However during the year the company has issued letters to debenture holders requested them to claim the said amount . During the year the company has also paid Rs. 7.12 Lacs to debenture holders on claim basis during the year 2017-18.

Place: Dewas

Date: 06th June, 2018

For, SUNIL BANDI & CO.
Chartered Accountants
F. R. No. 007419C

CA Sunil Bandi
(Partner)
M. No. 077705

Annexure referred to in our Independent Auditor's Report to the Members of the Company on the Financial Statements for the year ended 31st March, 2018 we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management at reasonable intervals. As informed to us, no discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except original title deed of land situated at Halol, Gujarat were not available for our verification. It was informed that the title deeds are lying with Canara Bank Debenture Trustees.
- ii. As explained to us, the inventory of the Company has been physically verified during the year by the management. In our opinion the frequency of the verification is reasonable and no material discrepancies were noticed on verification between the physical stocks and book records.
- iii. According to the information's and explanations given to us the Company has granted unsecured loans to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- iv. a) In our opinion, and according to the information and explanation given to us, no interest has been charged on loans, the same have been waived off, as per Board of Directors resolution dated 31/01/2014 and subsequent resolution passed on 31/07/2014, which had been granted to the parties listed in the register maintained under section 189 of the Act. The other terms and conditions on such loans are not, prima facie, prejudicial to the interest of the company. However under Ind AS notional interest has been provided on these loans.
- b) In case of loans granted to parties covered in the register maintained under section 189 of the Companies Act, 2013, these are interest free loans and the terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of the repayment of the loan amount.
- c) There are no overdue amounts outstanding more than ninety days in respect of the loans granted to parties listed in the register maintained under section 189 of the Act.
In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made and necessary approval (erstwhile section 372(A) of the Companies Act 1956) have been taken by way of special resolution passed in general meeting held on 29/08/2009.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from public with the meaning of Section 73 to 76 or any other relevant provision of the Act.
- vi. We have broadly reviewed the cost records maintained by the company pursuant to the companies (cost records and audit) Rules, 2014, as amended and prescribed by the central government under sub section (I) of section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company has no statutory dues of Provident Fund, Employee state Insurance, Income Tax, Sales Tax, Service Tax, Custom duty, Excise duty, Value added Tax, Goods and Service Tax, cess and any other statutory dues with the appropriate authorities except following dues of sales tax, entry tax, Income Tax, and Service Tax for earlier years were due for payment for more than 6 month from the date they became payable as per books of accounts as at 31st March 2018.

| Sr. No. | Name of the Statute | Nature of Due | Amount | Period |
|---------|------------------------------|---------------|----------|--------------------|
| 1. | M.P. Commercial Tax Act 1994 | Regular | 46070777 | 2006-07 to 2016-17 |
| 2. | Service Tax | Regular | 310827 | 2013-14 to 15-16 |

- vii. (b) According to the information and explanation given to us there are no dues of Income Tax, Sales Tax, Service Tax, duty of custom, duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute except as given below:

| Name of the Statute | Nature of the Dues | Forum where dispute is pending | Period to which the amount relates | Amount |
|------------------------------|------------------------------|--|------------------------------------|----------|
| M.P. Commercial Tax Act'1994 | Sales Tax, CST and Entry Tax | High Court/ Commissioner of Sales Tax/Deputy Commissioner. | 1999-2000 to 2016-17 | 52690600 |
| Income Tax Act'1961 | Income Tax | CIT Appeal | 2009-10 | 19517760 |
| Central Excise Act'1944 | Excise Duty Demand | Commissioner of Central Excise (Appeal) | 2005-06 | 818153 |

- viii. The company has defaulted in repayment of loans from Banks during the year. As on 31.03.2018 Company is in default in repayment of borrowing from bank, The company is in default since September '2017. The total amount of default stands at Rs. 25847193 on account of Installment and Interest. Also company has not paid Deferred Commercial Taxes of Rs. 146416227/-
- ix. The company did not raise any money by way of initial public offer or further public offer (including debt instrument) and terms loans during the year. Accordingly, paragraph 3(ix) of the order is not applicable.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, we report that no fraud on or by the company has been noticed or reported during the year.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him as per provisions of section 192 of the Companies Act 2013, hence Paragraph 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act 1934.

Place: Dewas

Date: 06th June, 2018

For, SUNIL BANDI & CO.

Chartered Accountants

F. R. No. 007419C

CA Sunil Bandi

(Partner)

M. No. 077705

ANNEXURE - B TO THE AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Girdharilal Sugar and Allied Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Dewas

Date: 06th June, 2018

For, SUNIL BANDI & CO.

Chartered Accountants

F. R. No. 007419C

CA Sunil Bandi

(Partner)

M. No. 077705

Girdharilal Sugar And Allied Industries Limited
Balance Sheet as at 31st March, 2018
CIN :- L15424MP1989PLC005564

(In Rupees)

| Particulars | Note | As at March 31, 2018 | As at March 31, 2017 | As at April 01, 2016 |
|---|---------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| 1 NON CURRENT ASSETS | | | | |
| (a) Property Plant and Equipment | 4 | 42,60,27,877 | 45,88,45,488 | 47,72,21,918 |
| (b) Capital Work in Progress | 5 | 7,82,457 | 7,82,457 | - |
| (c) Financial Assets | | | | |
| (i) Non- Current Investments | 6 | 1,200 | 1,200 | 1,200 |
| (ii) Loans | 7 | 36,13,771 | 17,44,238 | 5,45,44,170 |
| (d) Deferred Tax Assets | 8 | 1,59,52,352 | 1,67,31,096 | 42,38,003 |
| (e) Other non current assets | 9 | 33,86,024 | 31,49,382 | 30,50,228 |
| | | 44,97,63,681 | 48,12,53,861 | 53,90,55,519 |
| 2 CURRENT ASSETS | | | | |
| (a) Inventories | 10 | 16,91,03,475 | 16,53,82,757 | 14,14,20,366 |
| (b) Financial Assets | | | | |
| (i) Trade Receivables | 11 | 11,27,71,587 | 12,39,41,467 | 6,17,11,324 |
| (ii) Cash and Cash Equivalents | 12 | 29,29,563 | 14,93,849 | 27,44,982 |
| (iii) Bank balances other than (ii) above | 12 | 14,46,840 | 16,63,873 | 8,12,381 |
| (iv) Loans | 13 | 16,93,24,246 | 16,13,03,726 | 11,10,89,474 |
| (v) Other Financial Assets | 14 | 2,43,25,373 | 2,64,22,164 | 2,22,33,174 |
| (c) Current Tax Assets (Net) | 15 | 14,73,605 | 4,81,954 | 5,86,259 |
| (d) Other Current Assets | 16 | 1,66,60,490 | 1,55,89,294 | 11,79,736 |
| | | 49,80,35,179 | 49,62,79,084 | 34,17,77,696 |
| TOTAL ASSETS | | 94,77,98,861 | 97,75,32,945 | 88,08,33,215 |
| EQUITY AND LIABILITIES | | | | |
| Equity | | | | |
| (a) Equity Share Capital | 17 | 19,16,53,870 | 19,16,53,870 | 19,16,53,870 |
| (b) Other Equity | 18 | (1,61,49,495) | (1,54,47,971) | (3,37,40,560) |
| | | 17,55,04,375 | 17,62,05,899 | 15,79,13,310 |
| LIABILITIES | | | | |
| 1 NON CURRENT LIABILITIES | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 19 | 3,16,49,608 | 8,07,13,069 | 10,05,32,686 |
| (b) Provisions | 20 | 61,68,737 | 92,77,601 | 79,18,683 |
| | | 3,78,18,345 | 8,99,90,670 | 10,84,51,369 |
| 2 CURRENT LIABILITIES | | | | |
| (a) Financial Liabilities | | | | |
| (i) Borrowings | 19 | 12,26,11,023 | 12,02,29,749 | 9,85,41,168 |
| (ii) Trade Payables | 21 | 26,29,62,255 | 27,36,65,756 | 20,90,17,141 |
| (iii) Other Financial Liabilities | 22 | 22,74,06,297 | 18,21,52,855 | 18,27,15,820 |
| (b) Other Current Liabilities | 23 | 11,95,59,793 | 13,49,80,130 | 12,40,37,997 |
| (c) Provisions | 24 | 19,36,772 | 3,07,886 | 1,56,410 |
| | | 73,44,76,140 | 71,13,36,376 | 61,44,68,536 |
| TOTAL EQUITY AND LIABILITIES | | 94,77,98,861 | 97,75,32,945 | 88,08,33,215 |
| Significant Accounting Policies and Notes on Financial Statements | 1 to 48 | | | |

As per our report of Even Date
For Sunil Bandi & Company
Chartered Accountants
Firm Reg. No. 007419C
CA: Sunil Bandi
Partner
M.No. 077705

For and behalf of the Board of Directors

RAJESH AGRAWAL
DIRECTOR
DIN NO.: 00107009

R.G. AGRAWAL
DIRECTOR
DIN NO.: 00359638

VISHNU DUTT SHARMA
COMPANY SECRETARY
M.NO.31223

PLACE: DEWAS
DATE: 06th June 2018

Girdharilal Sugar And Allied Industries Limited
Statement of Profit and Loss for the year ended 31st March, 2018
CIN :- L15424MP1989PLC005564

(In Rupees)

| Particulars | Note | For the year ended 31.03.2018 | For the year ended 31.03.2017 |
|---|---------|----------------------------------|----------------------------------|
| Income | | | |
| Revenue From Operations | 25 | 45,52,80,594 | 1,09,12,66,185 |
| Other income | 26 | 1,08,41,878 | 97,72,975 |
| Total income (A) | | 46,61,22,472 | 1,10,10,39,160 |
| Expenses | | | |
| Cost of materials consumed | 27 | 32,68,49,497 | 65,79,37,385 |
| Purchases of Stock-in-Trade | 28 | 52,15,000 | 32,79,70,718 |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 29 | (20,21,616) | (2,56,61,959) |
| Employee benefit expense | 30 | 2,20,04,302 | 2,02,94,890 |
| Finance Costs | 31 | 3,04,86,820 | 2,89,86,958 |
| Depreciation and amortization expense | 4 | 2,05,51,211 | 2,03,83,280 |
| Other Expenses | 32 | 6,30,43,679 | 7,30,78,447 |
| Total expenses (B) | | 46,61,28,893 | 1,10,29,89,719 |
| Profit/(loss) before exceptional items and tax (C) | | (6,421) | (19,50,560) |
| Exceptional Items (D) | 33 | 47,86,885 | 1,42,65,678 |
| Profit/(loss) before tax (E=C-D) | | 47,80,464 | 1,23,15,118 |
| Tax expense | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | 8 | 7,78,743 | (1,24,93,093) |
| Total Tax (F) | | 7,78,743 | (1,24,93,093) |
| Profit/(Loss) for the year from continuing operations(E-F) | | 40,01,721 | 2,48,08,210 |
| Profit/(Loss) from discontinued operations | | - | - |
| Tax expense of discontinued operations | | | |
| (1) Current tax | | - | - |
| (2) Deferred tax | | - | - |
| Profit/(Loss) from discontinued operations(after tax) | | - | - |
| Profit/(loss) for the period | | 40,01,721 | 2,48,08,210 |
| Other comprehensive income | 34 | | |
| "A (i) Items that will not be reclassified to profit or loss" | | 27,34,338 | |
| "(ii) Income tax relating to items that will not be reclassified to profit or loss " | | - | - |
| "B (i) Items that will be reclassified to profit or loss" | | - | - |
| "(ii) Income tax relating to items that will be reclassified to profit or loss " | | - | - |
| Total Other Comprehensive Income | | 27,34,338 | - |
| Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) | | 67,36,059 | 2,48,08,210 |
| Earnings per equity share (for continuing operation): | 39 | | |
| Basic | | 0.21 | 1.29 |
| Diluted | | 0.21 | 1.29 |
| Earnings per equity share (for discontinued operation): | 39 | | |
| Basic | | - | - |
| Diluted | | - | - |
| Earnings per equity share(for discontinued & continuing operations) | 39 | | |
| Basic | | 0.21 | 1.29 |
| Diluted | | 0.21 | 1.29 |
| Significant Accounting Policies and Notes on Financial Statements | 1 to 48 | | |

As per our report of Even Date
For Sunil Bandi & Company
Chartered Accountants
Firm Reg. No. 007419C
CA : Sunil Bandi
Partner
M.No. 077705

For and behalf of the Board of Directors

RAJESH AGRAWAL
DIRECTOR
DIN NO.: 00107009

R.G. AGRAWAL
DIRECTOR
DIN NO.: 00359638

VISHNU DUTT SHARMA
COMPANY SECRETARY
M.NO.31223

PLACE: DEWAS
DATE: 06th June 2018

Girdharilal Sugar And Allied Industries Limited
Cash Flow Statement
For the year ended 31st March, 2018

(In Rupees)

| Particulars | Year ended | | Year ended | |
|--|-----------------------------|---------------|-----------------------------|---------------|
| | 31 st March 2018 | | 31 st March 2017 | |
| A Cash Flow from Operating Activities | | | | |
| Profit / (Loss) before tax | | 47,80,464 | | 1,23,15,118 |
| Adjustments for: | | | | |
| Remeasurement of Defined Benefit Plans | 27,34,338 | | | |
| Depreciation & Amortisation | 2,05,50,834 | | 2,03,83,280 | |
| Provision for Gratuity | 11,69,120 | | 7,40,461 | |
| Provision for Leave Encashment | 4,63,390 | | 1,60,433 | |
| Miscellaneous Balances Written off | (10,95,812) | | (25,62,629) | |
| Interest Expense | 2,98,73,613 | | 2,82,48,471 | |
| Interest Income | (4,06,539) | | (3,83,195) | |
| | | 5,32,88,944 | | 4,65,86,821 |
| Operating Profit before Working Capital Changes | | 5,80,69,408 | | 5,89,01,939 |
| Adjustments for: | | | | |
| Trade Receivables | 1,11,69,880 | | (6,22,30,143) | |
| Other financial assets | 20,96,791 | | (41,88,990) | |
| Other Bank Balances | 2,17,033 | | (8,51,492) | |
| Inventories | (37,20,717) | | (2,39,62,391) | |
| Other Current Assets | (10,71,197) | | (1,44,09,558) | |
| Trade Payables | (96,07,689) | | 6,72,11,244 | |
| Other Current Liabilities | (1,54,20,337) | | 1,09,42,133 | |
| Short Term Provisions | 16,28,886 | | 1,51,476 | |
| Movement in deposits | (2,36,642) | (1,49,43,992) | (99,154) | (2,74,36,875) |
| Net Cash generated from / (used) in Operating Activities (before tax) | | 4,31,25,416 | | 3,14,65,064 |
| Taxes (Paid) / Refund (net) | | (9,91,651) | | 1,04,305 |
| Net Cash generated from / (used) in Operating Activities | | 4,21,33,765 | | 3,15,69,369 |
| B Cash Flow from Investing Activities | | | | |
| Interest Received | (70,31,043) | | (61,32,427) | |
| (Purchase) / Sale of Tangible Assets (Net) | 1,22,66,777 | | (27,89,307) | |
| Movement in Loans and Advances | (98,90,053) | | 25,85,680 | |
| Net Cash generated from / (used in) Investing Activities | | (46,54,319) | | (63,36,054) |
| C Cash Flow from Financing Activities | | | | |
| Interest Paid | (2,98,73,613) | | (2,82,48,471) | |
| Repayment of Long Term Loans | (30,97,844) | | (1,94,80,200) | |
| Repayment of Unpaid Matured Debentures | (7,12,175) | | (9,02,382) | |
| Movement in Long Term Provisions | (47,41,374) | | 4,58,024 | |
| Proceeds from Short Term Loans | 23,81,274 | | 2,16,88,581 | |
| Net Cash generated from / (used in) Financing Activities | | (3,60,43,732) | | (2,64,84,448) |
| Net increase / (decrease) in Cash and Cash Equivalents (A+B+C) | | 14,35,714 | | (12,51,133) |
| Opening Balance of Cash and Cash Equivalents | | 14,93,849 | | 27,44,982 |
| Closing Balance of Cash and Cash Equivalents | | 29,29,563 | | 14,93,849 |
| Net increase / (decrease) in Cash and Cash Equivalents | | 14,35,714 | | (12,51,133) |

As per our report of Even Date
For Sunil Bandi & Company
Chartered Accountants
Firm Reg. No. 007419C
CA: Sunil Bandi
Partner
M.No. 077705

For and behalf of the Board of Directors

| | |
|--|--|
| RAJESH AGRAWAL DIRECTOR DIN NO.: 00107009 | R.G. AGRAWAL DIRECTOR DIN NO.: 00359638 |
| VISHNU DUTT SHARMA COMPANY SECRETARY M.NO.31223 | |

PLACE: DEWAS
DATE: 06th June 2018

STATEMENT OF CHANGES IN EQUITY
Girdharil Sugar And Allied Industries Limited
Statement of Changes in Equity for the period ended 31st March 2018

| A. Equity Share Capital | Balance at the beginning of reporting period as on 1 st April 2016 | Changes in Equity share capital during the year 2016-17 | Balance at the end of reporting period as on 31 st March 2017 | Changes in Equity share capital during the year 2017-18 | Balance at the end of reporting period as on 31 st March 2018 |
|-------------------------|---|---|--|---|--|
| | 19,16,53,870 | - | 19,16,53,870 | - | 19,16,53,870 |
| B. Other Equity | | | | | |

Reserve and Surplus

| | Share Application money pending allotment | Equity Component of Compound Financial Instruments | Securities Premium | Capital Reserve | Retained Earnings | Debt instruments through other comprehensive Income | Equity Instruments through other comprehensive Income | Revaluation Surplus | Exchange difference on translating the financial statements of foreign operations | Total |
|--|---|--|--------------------|-----------------|-------------------|---|---|---------------------|---|---------------|
| 31 st March 2017 | | | | | | | | | | |
| Balance at the beginning of reporting period 1 st April, 2016 | - | 1,90,15,381 | - | 1,40,00,000 | (20,58,48,960) | - | - | 13,90,93,019 | - | (3,37,40,560) |
| Changes in Accounting Policies/Prior Period Errors | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of reporting period | - | 1,90,15,381 | - | 1,40,00,000 | (20,58,48,960) | - | - | 13,90,93,019 | - | (3,37,40,560) |
| Profit for the year 2016-17 | - | - | - | - | 2,48,08,210 | - | - | - | - | 2,48,08,210 |
| Other comprehensive income for the year 2016-17 | - | - | - | - | - | - | - | - | - | - |
| Issued during the year | - | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Transferred to Retained Earnings | - | - | - | - | - | - | - | - | - | - |
| Any other change | - | - | - | - | - | - | - | - | - | - |
| Transferred from Retained Earnings | - | - | - | - | (65,15,622) | - | - | - | - | (65,15,622) |
| Balance at the end of reporting period 31 st March 2017 | - | 1,90,15,381 | - | 1,40,00,000 | (18,75,56,371) | - | - | 13,90,93,019 | - | (1,54,47,971) |

Reserve and Surplus

| | Share Application money pending allotment | Equity Component of Compound Financial Instruments | Securities Premium | Capital Reserve | Retained Earnings | Debt instruments through other comprehensive Income | Equity Instruments through other comprehensive Income | Revaluation Surplus | Exchange difference on translating the financial statements of foreign operations | Total |
|--|---|--|--------------------|-----------------|-------------------|---|---|---------------------|---|---------------|
| 31 st March 2018 | | | | | | | | | | |
| Balance at the beginning of reporting period 1 st April, 2017 | - | 1,90,15,381 | - | 1,40,00,000 | (18,75,56,371) | - | - | 13,90,93,019 | - | (1,54,47,971) |
| Changes in Accounting Policies/Prior Period Errors | - | - | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of reporting period | - | 1,90,15,381 | - | 1,40,00,000 | (18,75,56,371) | - | - | 13,90,93,019 | - | (1,54,47,971) |
| Profit for the year 2017-18 | - | - | - | - | 40,01,721 | - | - | - | - | 40,01,721 |
| Total comprehensive income for the year 2017-18 | - | - | - | - | 27,34,338 | - | - | - | - | 27,34,338 |
| Issued during the year | - | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Transferred to Retained Earnings | - | - | - | - | - | - | - | - | - | - |
| Any other change | - | - | - | - | - | - | - | - | - | - |
| Transferred from Retained Earnings | - | - | - | - | (74,37,582) | - | - | - | - | (74,37,582) |
| Balance at the end of reporting period 31 st March 2018 | - | 1,90,15,381 | - | 1,40,00,000 | (18,82,57,894) | - | - | 13,90,93,019 | - | (1,61,49,495) |

As per our report of Even Date
For **Sunil Bandt & Company**
Chartered Accountants
Firm Reg. No. 007419C
CA : **Sunil Bandt**
Partner
M.No. 077705

For and behalf of the Board of Directors

RAJESH AGRAWAL
DIRECTOR
DIN NO. : 00107009
VISHNU DUTT SHARMA
COMPANY SECRETARY
M.NO. 31223

R.G.AGRAWAL
DIRECTOR
DIN NO. : 00359638

PLACE: DEWAS
DATE: 06th June 2018

Girdharilal Sugar And Allied Industries Limited
Notes on Financial Statement for the year ended 31st March, 2018

Significant Accounting Policies

1. CORPORATE INFORMATION

The Company was incorporated on 27/10/1989. The Registered office of the company is situated at 45/47-A Industrial Area No.1, A.B.Road, Dewas (M.P.). Presently the company is engaged in Agro based activities. The company has a Dairy plant, Soya Solvent plant and edible oil refinery at Dewas (M.P.). The Company had issued shares to the Public in past. The shares are listed at BSE and are admitted at CDSL. The Registrar and Share Transfer Agent is Purva Share Registry (India) Pvt. Ltd., 9 Shivshakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION AND PRESENTATION

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments) and
- Defined benefit plans - plan assets

The financial statements of the Company have been prepared to comply with the Indian Accounting standards ('Ind AS'), including the rules notified under the relevant provisions of the Companies Act, 2013. Upto the year ended March 31, 2017, the Company has prepared its financial statements in accordance with the requirement of Indian Generally Accepted Accounting Principles (GAAP), which include Standards notified under the Companies (Accounting Standards) Rules, 2006 and considered as "Previous GAAP". These financial statements are the Company's first Ind AS standalone financial statements. Company's financial statements are presented in Indian Rupees (INR), which is also its functional currency.

2.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Property, Plant and Equipment (PPE)

- i) Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably. In the carrying amount of an item of PPE, the cost of replacing the part of such an item is recognized when that cost is incurred if the recognition criteria are met. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition principles.
- iii) Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work - in - Progress.
- iv) Depreciation on property, plant and equipment is provided using straight line method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Each part of an item of Property, Plant & Equipment with a cost that is significant in relation to total cost of the Machine is depreciated separately, if its useful life is different than the life of the Machine. Based on the technical evaluation, the management believes that the useful life of Dies and Moulds is 6 years.
- v) The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- vi) Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- vii) Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

b) Leases

- i) Leases are classified as finance leases whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ii) Leased assets: Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.
- iii) Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized. Contingent rentals are recognised as expenses in the periods in which they are incurred.

- iv) A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
 - v) Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.
- c) Intangible assets**
- i) Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortization /depletion and impairment loss, if any. Such cost includes purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.
 - ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.
 - iii) Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.
- d) Capital Work in Progress**
- i) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress. Such costs comprises purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
 - ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
 - iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is capitalized and carried under "Capital work in progress" and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.
- e) Research and Development Expenditure**
- Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.
- f) Finance Cost**
- i) Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
 - ii) Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
 - iii) All other borrowing costs are expensed in the period in which they occur.
- g) Inventories**
- i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any, except in case of by-products which are valued at net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
 - ii) Cost of raw materials, stores and spares, packing materials, trading and other products are determined at Cost, with moving average price on FIFO basis.
- h) Impairment of non-financial assets - property, plant and equipment and intangible assets**
- i) The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called Cash Generating Units (CGU) may be impaired. If any

such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

- ii) An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.
- iii) The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

i) Provisions, Contingent Liabilities and Contingent Assets and Commitments

- i) Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain.
- ii) If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.
- iii) Contingent liabilities are disclosed on the basis of judgment of management. These are reviewed at each balance sheet date are adjusted to reflect the current management estimate.
- iv) Contingent assets are not recognized but are disclosed in the financial statements when inflow of economic benefits is probable.

j) Income Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance sheet date.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

k) Foreign Currency Transactions

- i) Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.
- ii) Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.
- iii) Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or Statement of Profit and Loss are also recognised in OCI or Statement of Profit and Loss, respectively).

l) Employee Benefits Expense

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefits Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective IT authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

Re-measurement of defined benefit plans in respect of post-employment are charged to the Other Comprehensive Income.

Employee Separation Costs

Compensation to employees who have opted for retirement under the voluntary retirement scheme of the Company is payable in the year of exercise of option by the employee. The Company recognises the employee separation cost when the scheme is announced and the Company is demonstrably committed to it.

m) Revenue recognition

Revenue from operation includes sale of goods and processing receipts. Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost can be estimated reliably, there is no continuing effective control or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from operations includes sale of goods, services, service tax, excise duty and adjusted for discounts (net), and gain/ loss on corresponding hedge contracts.

Interest income

Interest income from a financial asset is recognised using effective interest rate (EIR) method.

Dividends

Revenue is recognised when the Company's right to receive the payment has been established, which is generally when shareholders approve the dividend.

n) Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted to the extent that there is no uncertainty in receiving the claims.

o) Financial Instruments**i) Financial Assets****A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Purchase and sale of financial assets are recognised using trade date accounting.

B. Subsequent measurement**Financial assets carried at amortised cost**

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by

both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL.

C. Investment in subsidiaries, Associates and Joint Ventures

The Company has elected to measure investment in subsidiaries, joint venture and associate at cost. On the date of transition, the fair value has been considered as deemed cost. Investment in Equity shares & Mutual Funds etc., are classified at fair value through the profit and loss account.

D. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

E. Impairment of financial assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or

Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For trade receivables Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities

A. Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments and Hedge Accounting

The Company uses various derivative financial instruments such as interest rate swaps, currency swaps, forwards & options and commodity contracts to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss, except for the effective portion of cash flow hedges which is recognised in Other Comprehensive Income and later to Statement of Profit and Loss when the hedged item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial assets or non-financial liability.

Hedges that meet the criteria for hedge accounting are accounted for as follows:

a) Cash flow hedge

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of movement in interest rates and foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in the cash flow hedging reserve being part of other comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until

the underlying transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss."

b) "Fair Value Hedge"

The Company designates derivative contracts or non derivative financial assets / liabilities as hedging instruments to mitigate the risk of change in fair value of hedged item due to movement in interest rates, foreign exchange rates and commodity prices.

Changes in the fair value of hedging instruments and hedged items that are designated and qualify as fair value hedges are recorded in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to Statement of Profit and Loss over the period of maturity."

Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

p) Operating Cycle

The Company presents assets and liabilities in the balance sheet based on current / non-current classification based on operating cycle.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The company has identified twelve months as its operating cycle.

q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a right issue to existing shareholders.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

r) Dividend Distribution

Dividend distribution to the shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

s) Statement of Cash Flows

i) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

ii) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting Standard.

2.3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are

considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a) Depreciation / amortisation and useful lives of property plant and equipment / intangible assets

Property, plant and equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

b) Recoverability of trade receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

c) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

d) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

e) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

2.4 First Time adoption of Ind AS

The Company has adopted Ind AS with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1st April 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind AS and Schedule III.

a) Exemptions from retrospective application

i) Business combination exemption

The Company has applied the exemption as provided in Ind AS 101 on non-application of Ind AS 103, "Business Combinations" to business combinations consummated prior to April 1, 2016 (the "Transition Date"), pursuant to which goodwill/capital reserve arising from a business combination has been stated at the carrying amount prior to the date of transition under Indian GAAP. The Company has also applied the exemption for past business combinations to acquisitions of investments in subsidiaries / associates / joint ventures consummated prior to the Transition Date

ii) Fair value as deemed cost exemption

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date.

iii) Cumulative translation differences

The Company has elected to apply Ind AS 21 - The Effects of changes in Foreign Exchange Rate prospectively. Accordingly all cumulative gains and losses recognised are reset to zero by transferring it to retained earnings.

Girdharil Sugar And Allied Industries Ltd.
First Time Ind AS Adoption Reconciliations
CIN :- L15424MP1989PLC005564

3.1 Reconciliation - Effect of Ind AS adoption on the Standalone Balance Sheet as at March 31, 2017 and April 1, 2016

| Particulars | As at 31.03.2017 | | | | As at 01.04.2016 | | | |
|---|------------------------|------------------------------|--------------------------------|-----------------------------|------------------------|------------------------------|--------------------------------|-----------------------------|
| | Previous GAAP Balances | Reclassification Adjustments | Effect of Transition to Ind AS | As per Ind AS balance sheet | Previous GAAP Balances | Reclassification Adjustments | Effect of Transition to Ind AS | As per Ind AS balance sheet |
| ASSETS | | | | | | | | |
| 1 NON CURRENT ASSETS | | | | | | | | |
| (a) Property Plant and Equipment | 32,25,06,874 | - | 13,63,38,614 | 45,88,45,488 | 33,81,28,899 | 13,90,93,019 | 47,72,21,918 | - |
| (b) Capital Work in Progress | 7,82,457 | - | - | 7,82,457 | - | - | - | - |
| (c) Financial Assets | 1,200 | - | - | 1,200 | 1,200 | - | - | 1,200 |
| (i) Non - Current Investments | - | 17,44,238 | - | 17,44,238 | 6,35,81,020 | -25,21,228 | -65,15,622 | 5,45,44,170 |
| (ii) Loans | - | - | - | - | 11,62,81,631 | - | -11,20,43,628 | 42,38,003 |
| (d) Deferred Tax Assets | 12,68,64,373 | - | -11,01,33,277 | 1,67,31,096 | - | - | - | - |
| (e) Other non current assets | 48,93,620 | -17,44,238 | - | 31,49,382 | - | 30,50,228 | - | 30,50,228 |
| CURRENT ASSETS | 45,50,48,524 | - | 2,62,05,337 | 48,12,53,861 | 51,79,92,750 | 5,29,000 | 2,05,33,769 | 53,90,55,519 |
| (a) Inventories | 16,53,82,757 | - | - | 16,53,82,757 | 14,14,20,366 | - | - | 14,14,20,366 |
| (b) Financial Assets | 12,39,41,467 | - | - | 12,39,41,467 | 6,17,11,324 | - | - | 6,17,11,324 |
| (i) Trade Receivables | 15,34,155 | -5,69,306 | - | 14,93,849 | 33,14,288 | -5,69,306 | - | 27,44,982 |
| (ii) Cash and Cash Equivalents | 16,63,873 | - | - | 16,63,873 | 8,12,381 | - | - | 8,12,381 |
| (iii) Bank balances other than (ii) above | 16,17,85,680 | - | - | 16,13,03,726 | 10,51,60,111 | -5,86,259 | 65,15,622 | 11,10,89,474 |
| (iv) Loans | 2,63,14,380 | 1,07,783 | - | 2,64,22,164 | 2,22,27,638 | 5,536 | - | 2,22,33,174 |
| (v) Other Financial Assets | - | 4,81,954 | - | 4,81,954 | - | 5,86,259 | - | 5,86,259 |
| (c) Current Tax Assets (Net) | 1,56,56,771 | 4,61,523 | - | 1,55,89,294 | 11,44,966 | 34,770 | - | 11,79,736 |
| (d) Other Current Assets | 49,62,79,083 | - | - | 49,62,79,084 | 33,57,91,074 | -5,29,000 | 65,15,622 | 34,17,77,696 |
| TOTAL ASSETS | 95,13,27,607 | - | 2,62,05,337 | 97,75,32,945 | 85,37,83,824 | - | 2,70,49,391 | 88,08,33,215 |
| EQUITY AND LIABILITIES | | | | | | | | |
| EQUITY | | | | | | | | |
| (a) Equity Share Capital | 19,16,53,870 | - | - | 19,16,53,870 | 19,16,53,870 | - | - | 19,16,53,870 |
| (b) Other Equity | 4,98,68,592 | - | 3,44,20,619 | 1,54,47,971 | -7,23,73,530 | - | 3,86,32,970 | -3,37,40,560 |
| | 14,17,85,278 | - | 3,44,20,619 | 17,62,05,899 | 11,92,80,340 | - | 3,86,32,970 | 15,79,13,310 |
| LIABILITIES | | | | | | | | |
| 1 NON CURRENT LIABILITIES | | | | | | | | |
| (a) Financial Liabilities | 8,89,28,352 | - | -82,15,283 | 8,07,13,069 | 11,21,16,265 | - | -1,15,83,579 | 10,05,32,686 |
| (i) Borrowings | 92,77,601 | - | - | 92,77,601 | 79,18,683 | - | - | 79,18,683 |
| (b) Provisions | 9,82,05,953 | - | -82,15,283 | 8,99,90,670 | 12,00,34,948 | - | -1,15,83,579 | 10,84,51,369 |
| 2 CURRENT LIABILITIES | | | | | | | | |
| (a) Financial Liabilities | 12,02,29,749 | - | - | 12,02,29,749 | 9,85,41,168 | - | - | 9,85,41,168 |
| (i) Borrowings | 27,36,65,756 | - | - | 27,36,65,756 | 20,90,17,141 | - | - | 20,90,17,141 |
| (ii) Trade Payables | - | 18,21,52,855 | - | 18,21,52,855 | - | 18,27,15,820 | - | 18,27,15,820 |
| (iii) Other Financial Liabilities | 31,71,32,985 | -18,21,52,855 | - | 13,49,80,130 | 30,67,53,817 | -18,27,15,820 | - | 12,40,37,997 |
| (b) Other Current Liabilities | 3,07,886 | - | - | 3,07,886 | 1,56,410 | - | - | 1,56,410 |
| (c) Provisions | 71,13,36,376 | - | 2,62,05,337 | 71,13,36,376 | 61,44,68,536 | - | - | 61,44,68,536 |
| TOTAL EQUITY AND LIABILITIES | 95,13,27,607 | - | 2,62,05,337 | 97,75,32,945 | 85,37,83,824 | - | 2,70,49,391 | 88,08,33,215 |

Reconciliation Notes explaining Reclassification Adjustments

- 1 Security Deposits in the nature of financial assets have been reclassified as Financial Assets- Loans. Under the previous GAAP, such loans and security deposits were classified as Long term loans and advances.
- 2 Cash and cash equivalents under previous GAAP includes cash balance lying in seized account which have been classified as other current assets under Ind AS.
- 3 Other Current Assets under the previous GAAP includes Loans and Advances which have been classified as Financial Assets- Other Financial assets respectively under the Ind AS.
- 4 Other Current Liabilities under the previous GAAP includes Current Maturities of Long Term Debts and Interest accrued but not due on borrowings which have been classified as Other Financial Liabilities under the Ind AS.

Reconciliation Notes explaining Ind AS Adjustments

- 1 The company has exercised the option of carrying the Freehold Land at its fair value on the date of transition. This has resulted in increase in Property, Plant and Equipment by Rs. 1,390.93 lakhs and there is corresponding impact on Revaluation Reserve by Rs. 1,390.93 lakhs.
- 2 As per Ind AS 109 "Financial Instruments", Interest free loans to subsidiary has been carried at amortised cost. Accordingly, Financial Assets- Loans have decreased and Other current assets have increased by Rs. 65.16 lakhs as on 01.04.2016.
- 3 Under the Ind AS, the Deferred Tax is calculated on the basis of the Balance Sheet approach and not the Income approach. Consequently, the Deferred Tax Assets (Net) have been decreased by Rs. 1,093.74 lakhs and Rs. 1,070.56 lakhs as at 1st April 2016 and 31st March 2017 respectively.
- 4 The transaction costs paid for the term loans borrowed have been amortised over the period of the loans, as the loans are required to be carried at amortized cost as per Ind AS 109 "Financial Instruments". Consequently, the Borrowings have reduced by Rs. 2.12 lakhs as at 1st April 2016.
- 5 The company has borrowed interest free unsecured loans from promoters/directors. Such loans have been classified as compound financial instruments and split into debt and equity in accordance with Ind AS 32 "Financial Instruments : Presentation". Accordingly, Borrowings have decreased and Other Equity increased.

Girdharilal Sugar And Allied Industries Limited
First Time Ind AS Adoption Reconciliations
CIN :- L15424MP1989PLC005564

3.2 Reconciliation - Effect of IndAS Adoption on the Statement of Profit and Loss for the year ended March 31, 2017

| Particulars | Previous GAAP Balances | Reclassification Adjustments | Effect of Transition to IndAS | As per Ind AS balance sheet |
|---|------------------------|------------------------------|-------------------------------|-----------------------------|
| Income | | | | |
| Revenue from operations | 1,09,12,66,185 | - | - | 1,09,12,66,185 |
| Other income | 32,57,353 | - | 65,15,622 | 97,72,975 |
| Total income (A) | 1,09,45,23,538 | - | 65,15,622 | 1,10,10,39,160 |
| Expenses | | | | |
| Cost of materials consumed | 65,79,37,385 | - | - | 65,79,37,385 |
| Purchase of Stock-in-Trade | 32,79,70,718 | - | - | 32,79,70,718 |
| Changes in inventories of finished goods, work-in-progress and Stock-in-Trade | (2,56,61,959) | - | - | (2,56,61,959) |
| Employee benefit expense | 2,02,94,890 | - | - | 2,02,94,890 |
| Finance costs | 2,56,18,662 | - | 33,68,296 | 2,89,86,958 |
| Depreciation and amortization expense | 1,10,55,573 | - | 93,27,707 | 2,03,83,280 |
| Other Expenses | 7,30,78,447 | - | - | 7,30,78,447 |
| Total expenses (B) | 1,09,02,93,716 | - | 1,26,96,003 | 1,10,29,89,719 |
| Profit/(loss) before tax (C=A-B) | 42,29,822 | - | (61,80,381) | (19,50,560) |
| Exceptional Items (D) | 1,42,65,678 | - | - | 1,42,65,678 |
| Profit/(loss) before tax (E=C-D) | 1,84,95,499 | - | (61,80,381) | 1,23,15,118 |
| Tax expense | | | | |
| (1) Current tax | | | | |
| (2) Deferred tax | (1,05,82,742) | - | (19,10,351) | (1,24,93,093) |
| Total Tax (F) | (1,05,82,742) | - | (19,10,351) | (1,24,93,093) |
| Profit for the year (E-F) | 2,90,78,241 | - | (42,70,031) | 2,48,08,210 |
| Other comprehensive income | | | | |
| I. Items that will not be reclassified to profit or loss | | | | |
| a) Remeasurements of the defined benefit plan | - | - | - | - |
| b) Income tax relating to items that will not be reclassified to profit or loss | - | - | - | - |
| Total other comprehensive income | - | - | - | - |
| Total comprehensive income | 2,90,78,241 | - | (42,70,031) | 2,48,08,210 |

Reconciliation Notes explaining Ind AS Adjustments

- The transaction cost paid for the term loans borrowed has been amortised over the period of the loan, as the loans are required to be carried at amortised cost as per Ind AS 109. Accordingly there is an increase in the Finance Cost.
- Under the IGAAP the depreciation related to the revaluation of fixed assets was charged to the Revaluation Reserve, whereas the same is not permissible under the Ind AS. Consequently the depreciation charge for the year has increased.
- Under the Ind AS the major components of Property Plant and Equipment having different useful lives are required to be depreciated over their respective useful lives. Consequently this has resulted in increase in depreciation.
- Interest free loans given are compound financial instruments as per Ind AS 32- Financial Instruments: Presentation. Accordingly these loans of Rs 600 lakhs have been classified as unamortised portion of Rs 290.42 lakhs and debt of Rs 309.58 lakhs. Interest on debt is provided as per Ind AS 109 Financial Instruments. Accordingly there is an increase in other income.
- Interest free loans received from promoters are compound financial instruments as per Ind AS 32- Financial Instruments Presentation. Accordingly these loans of Rs 347 lakhs have been classified as debt of Rs 257 lakhs and equity of Rs 190 lakhs. Interest on debt component is provided as per Ind AS 109 Financial Instruments. Accordingly the finance cost has increased.

3.3 Reconciliation of total comprehensive income for the year ended March 31, 2017

| Particulars | As at 31.03.2017 |
|--|--------------------|
| Revised profit as per previous GAAP | 2,90,78,241 |
| Adjustments : | |
| Amortised cost of term loans debited to P&L | (67,200) |
| Finance Cost on promoters loan charged to P&L | (33,01,096) |
| Amortised cost of loan advanced credited to P&L | 65,15,622 |
| Depreciation previously charged to Fixed Assets Fair Value Reserve, now charged to P&L | (65,73,302) |
| Depreciation on components charged to P&L | (3,56,250) |
| Depreciation on revalued amount of PPE | (23,98,155) |
| Effect of Deferred Tax Assets creation on P&L | 19,10,351 |
| Total effect of transition to Ind AS | (42,70,031) |
| Profit for the year as per Ind AS | 2,48,08,210 |
| Other comprehensive income for the year (net of tax) | - |
| Total comprehensive income under Ind AS | 2,48,08,210 |

3.4 Reconciliation of Other Equity as at March 31, 2017 and April 1, 2016

| Particulars | As at 31.03.2017 | As at 01.04.2016 |
|--|----------------------|----------------------|
| Other Equity as per previous GAAP | (4,98,68,591) | (7,23,73,530) |
| Net Adjustments as on 01.04.2016 | 3,86,32,970 | - |
| Effect of Transition to Ind AS : | | |
| Reversal of Transaction Cost | (67,200) | 2,12,880 |
| Finance Cost on promoters loan | (33,01,096) | (76,44,682) |
| Reversal of Deferred Tax Assets | - | (6,60,55,303) |
| Creation of Deferred Tax Assets | 19,10,351 | - |
| Creation of Deferred Tax Liability | - | (4,59,88,325) |
| Revaluation of Assets | - | 13,90,93,019 |
| Equity Component of Compound Financial Instruments | - | 1,90,15,381 |
| Depreciation on account of revaluation of assets | (23,98,155) | - |
| Depreciation on Major Components of PPE | (3,56,250) | - |
| Total adjustment to equity | 3,44,20,619 | 3,86,32,970 |
| Other Equity under Ind AS | (1,54,47,972) | (3,37,40,560) |

3.5 Reconciliation of Cash Flows as at March 31, 2017 and April 1, 2016

| Particulars | As per IGAAP | Ind AS Adjustments | As per Ind AS |
|---|-------------------|--------------------|--------------------|
| Net Cash Flows from Operating Activities | 2,83,85,978 | (33,32,231) | 2,50,53,747 |
| Net Cash Flows from Investing Activities | (24,06,112) | 25,85,680 | 1,79,568 |
| Net Cash Flows from Financing Activities | (2,63,79,507) | (1,04,941) | (2,64,84,448) |
| Net increase/(decrease in Cash and Cash Equivalents) | (3,99,641) | (8,51,492) | (12,51,133) |
| Cash and Cash Equivalents as at 1st April 2016 | 35,97,669 | (8,52,687) | 27,44,982 |
| Cash and Cash Equivalents as at 31st March 2017 | 31,98,028 | (17,04,179) | 14,93,849 |

Under the Ind AS, cash balances lying in seized account and in deposit accounts with more than 3 months maturity are not included in Cash and Cash Equivalents. As a result, there is a difference between Cash and Cash Equivalents as per IGAAP and as per Ind AS to the extent of such amount.

Girdharilal Sugar And Allied Industries Limited
Notes annexed to and forming part of Financial Statements
CIN :- L15424MP1989PLC005564

| 4 | Property, Plant and Equipment | Gross Block (at cost) | | | | Depreciation / Amortisation | | | Net Block | | (Rupees) |
|----------|---------------------------------|-----------------------|---------------------------|--------------------|----------------------|-----------------------------|--------------------|------------|----------------------|----------------------|---------------------|
| | | As at April 1, 2017 | Additions during the year | Deductions | As at March 31, 2018 | Upto March 31, 2017 | For the year | Deductions | Up to March 31, 2018 | As at March 31, 2018 | |
| | Leasehold Land | 12,61,14,613 | - | - | 12,61,14,613 | 23,98,532 | - | - | 47,96,687 | 12,13,17,926 | 12,37,16,081 |
| | Free Hold Land | 1,31,85,010 | - | 1,30,24,166 | 1,60,844 | - | - | - | - | 1,60,844 | 1,31,85,010 |
| | Buildings | 3,73,30,113 | 74,207 | - | 3,74,04,320 | 12,75,349 | 12,81,018 | - | 25,56,367 | 3,48,47,953 | 3,60,54,764 |
| | Plant and equipment | 29,82,16,781 | 4,45,781 | - | 29,86,62,562 | 1,61,40,832 | 1,61,63,625 | - | 3,23,04,457 | 26,63,58,105 | 28,20,75,949 |
| | Furniture and fixtures | 10,16,432 | 2,37,401 | - | 12,53,833 | 1,62,798 | 2,57,736 | - | 4,20,534 | 8,33,299 | 8,53,634 |
| | Vehicles | 33,65,819 | - | - | 33,65,819 | 4,05,769 | 4,50,300 | - | 8,56,069 | 25,09,750 | 29,60,050 |
| | Total | 47,92,28,768 | 7,57,389 | 1,30,24,166 | 46,69,61,991 | 2,03,83,280 | 2,05,50,834 | - | 4,09,34,114 | 42,60,27,877 | 45,88,45,488 |
| 5 | Capital Work In Progress | 7,82,457 | - | - | 7,82,457 | - | - | - | - | 7,82,457 | 7,82,457 |

| 4 | Property, Plant and Equipment | Gross Block (at cost) | | | | Depreciation / Amortisation | | | Net Block | | (Rupees) |
|----------|---------------------------------|-----------------------|---------------------------|------------|----------------------|-----------------------------|--------------------|------------|----------------------|----------------------|---------------------|
| | | As at April 1, 2016 | Additions during the year | Deductions | As at March 31, 2017 | Upto March 31, 2016 | For the year | Deductions | Up to March 31, 2017 | As at March 31, 2017 | |
| | Leasehold Land | 12,61,14,613 | - | - | 12,61,14,613 | - | 23,98,532 | - | 23,98,532 | 12,37,16,081 | 12,61,14,613 |
| | Free Hold Land | 1,31,85,010 | - | - | 1,31,85,010 | - | - | - | - | 1,31,85,010 | 1,31,85,010 |
| | Buildings | 3,68,93,187 | 4,36,926 | - | 3,73,30,113 | - | 12,75,349 | - | 12,75,349 | 3,60,54,764 | 3,68,93,187 |
| | Plant and equipment | 29,70,83,227 | 11,33,554 | - | 29,82,16,781 | - | 1,61,40,832 | - | 1,61,40,832 | 28,20,75,949 | 29,70,83,227 |
| | Furniture and fixtures | 9,55,062 | 61,370 | - | 10,16,432 | - | 1,62,798 | - | 1,62,798 | 8,53,634 | 9,55,062 |
| | Vehicles | 29,90,819 | 3,75,000 | - | 33,65,819 | - | 4,05,769 | - | 4,05,769 | 29,60,050 | 29,90,819 |
| | Total | 47,72,21,918 | 20,06,850 | - | 47,92,28,768 | - | 2,03,83,280 | - | 2,03,83,280 | 45,88,45,488 | 47,72,21,918 |
| 5 | Capital Work In Progress | - | 7,82,457 | - | 7,82,457 | - | - | - | - | 7,82,457 | 10,03,32,248 |

Girdharilal Sugar And Allied Industries Limited
Notes annexed to and forming part of Financial Statements

6 Non-Current Investments

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Investment in Debentures or Bonds (At Amortized Cost) | | | |
| M.P. Government Bonds (Unquoted) | 1,200 | 1,200 | 1,200 |
| Total | 1,200 | 1,200 | 1,200 |
| Aggregate amount of quoted investments | NIL | NIL | NIL |
| Aggregate amount of unquoted investments | 1,200 | 1,200 | 1,200 |
| Aggregate amount of impairment in value of investments | NIL | NIL | NIL |

7 Loans

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Security Deposits | | | |
| Unsecured, considered good | 36,13,771 | 17,44,238 | 10,59,792 |
| Loans & Advances to Related Parties | | | |
| Premier Proteins Limited (Unsecured considered short term for the current year) | - | - | 5,34,84,378 |
| Total | 36,13,771 | 17,44,238 | 5,45,44,170 |

8 Deferred Tax Assets/(Liabilities)

The Movement on the deferred tax account is as follows

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Deferred Tax Assets on account of timing differences | | | |
| At the start of the year | 1,67,31,096 | 42,38,003 | 42,38,003 |
| (Charge)/Credit to Statement of Profit & Loss | -7,78,743 | 1,24,93,093 | - |
| At the end of the year | 1,59,52,352 | 1,67,31,096 | 42,38,003 |

Component of Deferred Tax Liabilities/(Assets)

| Particulars | As at 31st March- 2017 | Charge/(Credit) to Statement of Profit & Loss | As at 31st March- 2018 |
|---|------------------------------|---|------------------------------|
| Deferred Tax Assets/(Liabilities) in relation to : | | | |
| Disallowances under section 43B | 6,49,30,260 | (1,06,12,689) | 5,43,17,571 |
| Carryforward of losses | 6,45,61,454 | (95,93,092) | 5,49,68,362 |
| Property Plant and Equipment | (6,75,77,350) | 1,12,35,915 | (5,63,41,435) |
| Long term provisions | (4,51,83,268) | 81,91,121 | (3,69,92,147) |
| Short term provisions | - | | |
| Ind AS adjustments | | | |
| Total | 1,67,31,096 | (7,78,743) | 1,59,52,352 |

9 Other non current assets

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Income Tax Refundable | 33,86,024 | 31,49,382 | 25,21,228 |
| Balance with Bank FDR held as Margin Money (maturity more than 12 months) | - | - | 5,29,000 |
| Total | 33,86,024 | 31,49,382 | 30,50,228 |

10 Inventories

| Particulars | As at | As at | As at |
|----------------------|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Raw Materials | 95,68,009 | 96,86,459 | 1,08,86,101 |
| Finished goods & WIP | 14,10,19,148 | 13,89,97,532 | 11,33,35,574 |
| Stores and spares | 40,93,424 | 38,20,303 | 38,42,874 |
| Others | 1,44,22,893 | 1,28,78,463 | 1,33,55,817 |
| Total | 16,91,03,475 | 16,53,82,757 | 14,14,20,366 |

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

11 Trade Receivables (Unsecured)

| Particulars | As at | As at | As at |
|------------------------------------|---------------------|---------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Unsecured, considered good | 11,27,71,587 | 12,39,41,467 | 6,17,11,324 |
| Unsecured, considered doubtful | - | - | - |
| | 11,27,71,587 | 12,39,41,467 | 6,17,11,324 |
| Less: Provision for doubtful debts | - | - | - |
| Total | 11,27,71,587 | 12,39,41,467 | 6,17,11,324 |

12 Cash and Bank Balances

| Particulars | As at | As at | As at |
|---|------------------|------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Cash & Cash Equivalents | | | |
| Balances with Banks | | | |
| (i) Current Accounts | 27,37,763 | 14,30,563 | 25,83,602 |
| Cash on Hand | 1,91,800 | 63,286 | 1,61,380 |
| | 29,29,563 | 14,93,849 | 27,44,982 |
| Other Bank Balances* | | | |
| In deposit account with more than three months maturity | 14,46,840 | 16,63,873 | 8,12,381 |
| | 14,46,840 | 16,63,873 | 8,12,381 |
| Total | 43,76,403 | 31,57,722 | 35,57,363 |

* As margin money of bank guarantee and letter of credit

13 Loans and Advances

| Particulars | As at | As at | As at |
|---|---------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Security Deposits | | | |
| Unsecured, considered good | 1,94,65,174 | 1,87,18,492 | 1,59,50,541 |
| Loans to Related Parties | | | |
| Premier Proteins Limited | 14,98,59,072 | 13,51,47,652 | 8,86,23,311 |
| (Including transfer from long term loans) | | | |
| Unamortised Cost (Current Portion) | - | 74,37,582 | 65,15,622 |
| Total | 16,93,24,246 | 16,13,03,726 | 11,10,89,474 |

14 Other Financial Assets

| Particulars | As at | As at | As at |
|------------------------------|--------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Advances Recoverable in Cash | 2,39,44,465 | 2,63,14,380 | 2,22,27,638 |
| Interest accrued on deposits | 3,80,908 | 1,07,784 | 5,536 |
| Total | 2,43,25,373 | 2,64,22,164 | 2,22,33,174 |

15 Current Tax Assets

| Particulars | As at | As at | As at |
|---------------------------------------|------------------|-----------------|-----------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Advance Income Tax (Net of provision) | 14,73,605 | 4,81,954 | 5,86,259 |
| Total | 14,73,605 | 4,81,954 | 5,86,259 |

16 Other current assets

| Particulars | As at | As at | As at |
|--|--------------------|--------------------|------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| Balances with Statutory/Government Authorities | 1,62,20,157 | 1,47,89,937 | 5,23,974 |
| Prepaid Expenses | 4,00,027 | 7,59,051 | 6,15,456 |
| Cash and cash equivalent | 40,306 | 40,306 | 40,306 |
| (cash balance lying in seized account) | | | |
| Total | 1,66,60,490 | 1,55,89,294 | 11,79,736 |

17 Share capital

| (a) Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|--|----------------------|-----------------------|----------------------|---------------------|---------------------|---------------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Authorised 27500000 Equity Shares (Prev. Year 27500000) of Rs. 10/- each | 27,50,00,000 | 2,75,00,00,000 | 27,50,00,000 | 2,75,00,00,000 | 27,50,00,000 | 2,75,00,00,000 |
| Issued, Subscribed & fully paid up 1,91,68,887 Equity Shares (Prev. Year 1,85,90,000) of Rs. 10/- each | 1,91,68,887 | 19,16,88,870 | 1,91,68,887 | 19,16,88,870 | 1,91,68,887 | 19,16,88,870 |
| Less:- Calls unpaid (Rs.5 per Share) on 7000 Equity Shares | - | (35,000) | - | (35,000) | - | (35,000) |
| Add:- Issued during the year | - | - | - | - | - | - |
| | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 |

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

| (b) Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|--|----------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | Number | Amount | Number | Amount | Number | Amount |
| Shares outstanding at the beginning of the year | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 |
| Add: Shares issued during the year | - | - | - | - | - | - |
| Shares outstanding at the end of the year | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 | 1,91,68,887 | 19,16,53,870 |

Shares held by the holding Company / Associate Company and shareholders holding more than 5% shares in the Company

| (c) Name of the Shareholder | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---------------------------------|----------------------|--------------|----------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Equity Shares | | | | | | |
| Vertex Investments Pvt. Limited | 21,48,951 | 11.21% | 21,48,951 | 11.21% | 21,48,951 | 11.21% |
| R.K.Agrawal | 16,00,800 | 8.35% | 16,00,800 | 8.35% | 16,00,800 | 8.35% |
| Girdharilal Rajesh Kumar HUF | 9,66,320 | 5.04% | 9,66,320 | 5.04% | 9,66,320 | 5.04% |
| Rajesh Kumar HUF | 13,57,000 | 7.08% | 13,57,000 | 7.08% | 13,57,000 | 7.08% |
| Bimla Devi Agrawal | 14,72,114 | 7.68% | 14,72,114 | 7.68% | 14,72,114 | 7.68% |
| Sangeeta Agrawal | 13,87,600 | 7.24% | 13,87,600 | 7.24% | 13,87,600 | 7.24% |

Terms / Rights to Shareholders**(i) Equity Shares****(A) Voting**

(i) The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

18 Other Equity

| Particulars | As at | | As at |
|--|-----------------------|-----------------------|-----------------------|
| | March 31, 2018 | March 31, 2017 | April 1, 2016 |
| (a) Capital Reserve | | | |
| Balance as per last financial statement | 1,40,00,000 | 1,40,00,000 | 1,40,00,000 |
| Add : Additions during the year | - | - | - |
| Less : Transfer during the year | - | - | - |
| | 1,40,00,000 | 1,40,00,000 | 1,40,00,000 |
| (b) Amalgamation Reserve | | | |
| Balance as per last financial statement | - | - | (36,67,41,216) |
| Add : Additions during the year | - | - | - |
| Less : Transfer during the year | - | - | - |
| Add : Amount written off due to Ind AS Transition | - | - | 36,67,41,216 |
| | - | - | - |
| (ii) Fixed Assets Fair Value Reserve | | | |
| Balance as per last financial statement | - | - | 20,00,00,000 |
| Less:- Written off Till Last Year | - | - | (1,38,11,264) |
| Less :-Written Off During the Year | - | (65,73,302) | (65,73,302) |
| | - | (65,73,302) | 17,96,15,434 |
| Less :- Amount written off due to Ind AS Transition | - | 65,73,302 | (17,96,15,434) |
| | - | - | - |
| (c) Surplus/(Deficit) as per the Statement of Profit and Loss | | | |
| Balance as per Last Financial statement | (18,75,56,371) | (20,58,48,960) | 7,88,73,286 |
| Add: Impact of Change of useful life of assets (asper schedule II to the Companies Act, 2013) | (74,37,582) | (65,15,622) | (30,66,01,212) |
| Add: Impact of Ind AS adjustments(Net) | 67,36,059 | 2,48,08,210 | 2,18,78,966 |
| Profit/(Loss) for the Year | (18,82,57,894) | (18,75,56,371) | (20,58,48,960) |
| Net Surplus / (Deficit) as per the Statement of Profit and Loss | | | |
| (d) Revaluation Reserve | | | |
| Balance as per Last Financial Statements | 13,90,93,019 | 13,90,93,019 | - |
| Add: Revaluation of Land | - | - | 13,90,93,019 |
| Less: Realised during the year | - | - | - |
| | 13,90,93,019 | 13,90,93,019 | 13,90,93,019 |
| (e) Equity Component of Compound Financial Instruments | | | |
| Balance as per Last Financial statement | | | - |
| Add: Equity component of Interest free Unsecured loans classified as Promoters Equity | 1,90,15,381 | 1,90,15,381 | 1,90,15,381 |
| | 1,90,15,381 | 1,90,15,381 | 1,90,15,381 |
| Total | (1,61,49,495) | (1,54,47,971) | (3,37,40,560) |

19 Long Term Borrowings

| Particulars | As at March 31, 2018 | | As at March 31, 2017 | | As at April 1, 2016 | |
|---|----------------------|---------------------|----------------------|---------------------|---------------------|--------------------|
| | Non Current | Current* | Non Current | Current* | Non Current | Current* |
| (a) Term Loans | | | | | | |
| Secured | | | | | | |
| Term Loans | | | | | | |
| From Banks | | | | | | |
| From Canara Bank Term Loan/ Working Capital Loan | - | 8,60,40,308 | 5,23,73,477 | 6,82,63,243 | 6,97,87,120 | 6,82,89,125 |
| From Others | | | | | | |
| Funded interest Term Loan | | | | | 52,53,865 | - |
| Others (Car Loan) | 12,51,010 | - | 17,09,195 | - | 21,62,400 | - |
| Total Secured Loans | 12,51,010 | 8,60,40,308 | 5,40,82,672 | 6,82,63,243 | 7,72,03,385 | 6,82,89,125 |
| Unsecured | | | | | | |
| Loans and advances from related parties | 3,03,98,598 | 2,42,56,743 | 2,66,30,397 | 3,96,94,656 | 2,33,29,301 | 2,92,52,043 |
| Others | - | 1,23,13,972 | - | 1,22,71,850 | - | 10,00,000 |
| Total Unsecured Loans | 3,03,98,598 | 3,65,70,715 | 2,66,30,397 | 5,19,66,506 | 2,33,29,301 | 3,02,52,043 |
| Total | 3,16,49,608 | 12,26,11,023 | 8,07,13,069 | 12,02,29,749 | 10,05,32,686 | 9,85,41,168 |

***Current Items include amount payable in the next 12 months**

Terms and Conditions of the Loans

- 1) Loans from Related parties includes a sum of Rs.34700000/- received in past towards promoters contribution (in erstwhile transferor company Premier Industries(India) Ltd.) in terms of Revival package approved by AAIFR and is interest free.
- 2) The Term Loan from Canara Bank is primarily secured by way of first charge on Hypothecation of Assets purchased out of such loan as well as collaterally secured by way of second charge on all Fixed Assets of the company. Term Loan of 7,0847193/- has been shown under payable in 12 months has been shown under current Liabilities. Interest is payable @ 14% p.a.
- 3) Working Capital Loan from Bank is secured against Hypothecation of Current Assets. Further the Loan is guaranteed by Mr. Rajesh Agrawal, Chairman & Managing Director of the company. The Interest on the loan is payable @ 14% p.a.
- 4) Period and amount of default as on the balance sheet date in repayment of borrowings and interest
As on 31.03.2018 Company is in default in repayment of borrowing from bank, The company is in default since September '2017. The total amount of default stands at Rs. 25847193 on account of Installment and Interest
- 5) Funded Interest Term Loan (FITL) in previous year represent aggregate interest on Working Capital Term Loan (WCTL) as funded by Canara Bank in terms of BIFR package . FITL is payable during the period commencing from December '2015 till November '2017. The FITL is Interest Free.
- 6) The car Loan is secured in favour of Hdfc Bank Ltd. by way of first charge as lien on car purchased out of such loan. The loan is also guaranteed by director.
- 7) iii) Short Term Loan from one of the related parties (Vertex Investments Pvt. Ltd.) is interest free. The Loan is repayable on demand.
- 8) iv) Other Loans and Advances represents Inter Corporate loans taken from other parties and the same are payable on demand and bearing interest i.e. @15% p.a. To 18% p.a.

20 Long Term Provisions

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Provision for Employee Benefits | | | |
| Gratuity | 50,51,662 | 81,52,143 | 69,85,589 |
| Leave Encashment | 11,17,075 | 11,25,458 | 9,33,094 |
| Total | 61,68,737 | 92,77,601 | 79,18,683 |

21 Trade payables

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Total Outstanding dues of Micro & Small enterprises | 43,94,461 | 47,34,415 | 50,18,546 |
| Others | 25,85,67,794 | 26,89,31,341 | 20,39,98,595 |
| Total | 26,29,62,255 | 27,36,65,756 | 20,90,17,141 |

22 Other Financial Liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|---|-------------------------|-------------------------|------------------------|
| Unpaid Matured Debenture and Interest accrued thereon (secured) | 82,87,397 | 89,99,572 | 99,01,954 |
| Current Maturity of Long Term Debts (Secured) | 21,91,18,900 | 17,31,53,283 | 17,28,13,866 |
| Total | 22,74,06,297 | 18,21,52,855 | 18,27,15,820 |

- # a. Debentures were 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 (by the erstwhile company Premier Industries (India) Ltd., the transferor company)
- 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 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 31/03/2018 Debenture to the extent of Rs.82.87 lacs (net of call in arrears) are due for redemption (including interest).
- 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 205 C of The Companies Act'1956 (Now Section 125 of the companies Act, 2013) for not depositing the Unclaimed Debentures Amount of Rs. 99.03 Lacs with Investor Education & Protection Fund “ BIFR order has further deferred repayment of debenture holders liability for 3 years commencing from F.Y.2014-15 till F.Y.2016-17. However during the year the company has once again issued letters to debenture holders requested them to claim the said amount . During the year the company has also paid Rs.7.12 lacs to debenture holders on claim basis during the year 2017-18.

- d) Current maturity of long term debts includes Deferred Payment Liabilities of Rs. 147411211/- which 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 B.I.F.R., and as per Policy Package of the Stat Govt . As per BIFR order the amount of Deferred Tax of Rs. 14,74,11,211/- was payable up to 31.03.2017, However the same has not been paid till in F.Y.2017-18 due to matters pending with regard to Industrial Promotion Assistance (Including Vat Incentive) receivable by the company in terms of state Govt approval & reliefs and concessions granted by BIFR .

23 Other Current Liabilities

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|----------------|-------------------------|-------------------------|------------------------|
| Other Payables | 11,95,59,793 | 13,49,80,130 | 12,40,37,997 |
| Total | 11,95,59,793 | 13,49,80,130 | 12,40,37,997 |

24 Short Term Provisions

| Particulars | As at March 31, 2018 | As at March 31, 2017 | As at April 1, 2016 |
|--|-------------------------|-------------------------|------------------------|
| Provision for Employee Benefits | | | |
| Gratuity | 16,06,085 | 3,07,886 | 1,41,689 |
| Leave Encashment | 3,30,687 | - | 14,721 |
| Total | 19,36,772 | 3,07,886 | 1,56,410 |

25 Revenue from Operations

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Sale of Products | | |
| Finished Goods | 40,55,80,822 | 1,06,39,21,770 |
| | 40,55,80,822 | 1,06,39,21,770 |
| Other operating Revenue | | |
| Processing Charges | 4,94,04,446 | 2,67,69,343 |
| Settlement of Contracts and Suppliers Credit balances Written Off | - | - |
| Miscellaneous Sales /Receipts | 2,95,326 | 5,75,072 |
| | 4,96,99,772 | 2,73,44,415 |
| Total | 45,52,80,594 | 1,09,12,66,185 |

26 Other Income

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Interest Income | 4,06,539 | 3,83,195 |
| Unwinding Finance Income on Interest Free Loans Given | 74,37,582 | 65,15,622 |
| Sundry Balances Written Off (net) | 10,95,812 | 25,62,629 |
| Other Non Operating Income (Net of Expenses) | 2,36,111 | 3,11,529 |
| Profit on sale of Assets | 16,65,834 | - |
| Total | 1,08,41,878 | 97,72,975 |

27 Cost of Material Consumed

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|-------------------------------------|------------------------------|------------------------------|
| Raw Materials Consumed | | |
| Opening Stock of Raw Material | 1,41,68,243 | 1,60,40,918 |
| Add: Purchases | 32,61,12,111 | 65,60,64,710 |
| Less: Sales /Return | (85,000) | - |
| | 34,01,95,354 | 67,21,05,628 |
| Less: Closing Stock of Raw Material | (1,33,45,857) | (1,41,68,243) |
| Total | 32,68,49,497 | 65,79,37,385 |

28 Purchase of Stock-in-Trade

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--------------------|------------------------------|------------------------------|
| SMP/Dairy Whitener | 52,15,000 | 3,44,89,206 |
| Pasturised Milk | - | 29,34,81,512 |
| Total | 52,15,000 | 32,79,70,718 |

29 Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Opening Stock | | |
| Finished Goods | 13,89,97,532 | 11,33,35,574 |
| | 13,89,97,532 | 11,33,35,574 |
| Closing Stock | | |
| Finished Goods | 14,10,19,148 | 13,89,97,532 |
| | 14,10,19,148 | 13,89,97,532 |
| (Increase)/Decrease in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (Total) | (20,21,616) | (2,56,61,959) |

30 Employee Benefits Expense

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| Salaries & Wages | 1,83,14,725 | 1,71,56,446 |
| Bonus | 5,11,440 | 5,68,299 |
| Contribution to Provident & Other Funds | 12,21,086 | 13,26,641 |
| Staff Welfare Expenses | 2,51,984 | 2,55,042 |
| Gratuity Expenses | 11,69,120 | 7,40,461 |
| Leave Encashment Expenses | 4,63,390 | 1,60,433 |
| Medical reimbursements | 72,557 | 87,568 |
| Total | 2,20,04,302 | 2,02,94,890 |

31 Finance costs

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| Interest on Working Capital Loans | 1,12,98,544 | 96,99,234 |
| Interest on Term Loan | 98,58,353 | 1,15,77,533 |
| Interest on Unsecured Loans | 23,71,906 | 12,22,336 |
| Unwinding Finance Cost On Interest Free Loans Received | 37,68,201 | 33,01,096 |
| Interest on others | 25,76,609 | 24,48,272 |
| Bank Charges | 6,13,207 | 7,38,487 |
| Total | 3,04,86,820 | 2,89,86,958 |

32 Other expenses

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|----------------------------------|------------------------------|------------------------------|
| Consumption of Stores & Spares | 33,26,395 | 37,80,459 |
| Power & Fuel | 3,48,86,551 | 3,87,91,247 |
| Freight & Cartage | 41,98,994 | 43,52,226 |
| Rent | 1,20,000 | 1,28,000 |
| Repairs to Buildings | 55,275 | 1,50,192 |
| Repairs to Machinery | 6,74,306 | 9,80,375 |
| Insurance | 6,41,201 | 5,56,344 |
| Rates & Taxes | 2,04,464 | 9,36,195 |
| Auditor Remuneration | 2,22,066 | 2,89,205 |
| Processing Charges | - | 28,874 |
| Printing & Stationary | 6,65,221 | 6,75,978 |
| Telephone Charges | 3,34,319 | 5,16,489 |
| Travelling & conveyance Expenses | 14,82,862 | 15,15,965 |
| Vehicle Repairs & Maintenance | 14,99,577 | 11,82,063 |
| Legal & Professional Charges | 43,56,892 | 31,18,517 |
| Secretarial Charges | 5,41,433 | 15,97,563 |
| Security Guard Expenses | 21,57,807 | 14,80,140 |
| Other Expenses | 44,42,081 | 53,40,158 |
| Selling Expenses | 15,74,312 | 22,03,327 |
| Packing & Forwarding Expenses | 15,89,923 | 54,55,130 |
| Tax Audit Fees | 70,000 | - |
| Total | 6,30,43,679.00 | 7,30,78,447.00 |

33 Exceptional Items

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|---|------------------------------|------------------------------|
| VAT Incentive Receivable | - | 1,42,65,678 |
| Coal Cost Differential Charges Refunded | 47,86,885 | - |
| Total | 47,86,885 | 1,42,65,678 |

The company has claimed a sum of Rs. 47,86,885 from Western Coal Field Ltd towards extra rates charged in earlier year and shown as exceptional item as per the decision of Nagpur Bench of Honourable Mumbai High Court. However the claim amount is still to be received by the company from Western Coal Fields Ltd.

34 Other Comprehensive Income

| Particulars | Year ended March 31, 2018 | Year ended March 31, 2017 |
|--|------------------------------|------------------------------|
| (A) Items that will not be reclassified into profit or loss | | |
| (i) Change in Revaluation surplus | | |
| (ii) Remeasurement of defined benefit plans | 27,34,338 | - |
| (iii) Equity Instrument of the defined benefit plans | | |
| (iv) Fair Value changes relating to own credit risk of financial liabilities designated at fair value through profit or loss | | |
| (v) share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss | | |
| (vi) Others | | |
| Total (A) | 27,34,338 | - |
| (B) Items that will be reclassified to profit or loss | | |
| (i) Exchange differences in translating the financial statements of foreign operation | | |
| (ii) Debt instruments through other comprehensive Income | | |
| (iii) The effective portion of gains and loss on hedging instruments in a cash flow hedge | | |
| (iv) Share of other comprehensive Income in Associate and Joint Ventures, to the extent not to be classified into profit or loss | | |
| (v) Others | | |
| Total (B) | - | - |

Notes annexed to and forming part of the Financial statements

35 As per IND AS 19 "Employee benefits", the disclosures as defined are given below:

Defined Contribution Plans

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

| Particulars | 2017-18 | 2016-17 |
|---|----------|----------|
| Employer's Contribution to Provident Fund | 7,56,785 | 8,25,487 |

Defined Benefit Plan

1) Reconciliation of opening and closing balances of Defined Benefit Obligation

| Particulars | Gratuity (Non Funded) | |
|---|-----------------------------|----------|
| | 2017-18 | 2016-17 |
| Defined Benefit Obligation at beginning of the year | 87,67,915 | - |
| Current Service Cost | 3,85,699 | - |
| Interest Cost | 6,61,978 | - |
| Past Service Cost (Vested benefits) | 1,06,010 | - |
| Benefits paid | -5,99,660 | - |
| Actuarial (Gain)/Loss | -26,64,195 | - |
| Defined Benefit Obligation at year end | 66,57,747 | - |
| | 66,57,747 | - |
| Particulars | Leave Benefits (Non Funded) | |
| | 2017-18 | 2016-17 |
| Defined Benefit Obligation at beginning of the year | 11,25,458 | - |
| Current Service Cost | 2,98,957 | - |
| Interest Cost | 84,972 | - |
| Past Service Cost (Vested benefits) | - | - |

| | | |
|--|------------------------------------|----------------------------------|
| Benefits paid | -70,143 | - |
| Actuarial (Gain)/Loss | 78,661 | - |
| Defined Benefit Obligation at year end | 15,17,905 | - |
| | 15,17,905 | - |
| Reconciliation of Opening and Closing balances of fair value of Plan Assets | | |
| Particulars | Gratuity (Non Funded) | |
| | 2017-18 | 2016-17 |
| Fair value of Plan Assets at beginning of year | | |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(Loss) | - | - |
| Employer Contribution | - | - |
| Benefits Paid | - | - |
| Fair value of Plan Assets at year end | - | - |
| Actual return on Plan Assets | - | - |
| Particulars | Leave Benefits (Non Funded) | |
| | 2017-18 | 2016-17 |
| Fair value of Plan Assets at beginning of year | | |
| Expected Return on Plan Assets | - | - |
| Actuarial Gain/(Loss) | - | - |
| Employer Contribution | - | - |
| Benefits Paid | - | - |
| Fair value of Plan Assets at year end | - | - |
| Actual return on Plan Assets | - | - |
| Reconciliation of fair Value of Assets and Obligations | | |
| Particulars | Gratuity (Non Funded) | |
| | As at 31st March 2018 | As at 31st March 2017 |
| Fair value of Plan Assets | - | - |
| Present Value of Obligation | 66,57,747 | - |
| Amount recognised in Balance Sheet (Surplus/(Deficit)) | -66,57,747 | - |
| Particulars | Leave Benefits (Non Funded) | |
| | As at 31st March 2018 | As at 31st March 2017 |
| Fair value of Plan Assets | - | - |
| Present Value of Obligation | 15,17,905 | - |
| Amount recognised in Balance Sheet (Surplus/(Deficit)) | -15,17,905 | - |
| Expenses recognised during the year | | |
| Particulars | Gratuity (Non Funded) | |
| | 2017-18 | 2016-17 |
| In Income Statement | | |
| Current Service Cost | 3,85,699 | - |
| Interest Cost | 6,61,978 | - |
| Past Service Cost | 1,06,010 | - |
| Return on Plan Asset | | |
| Net Cost | 11,53,687 | - |
| In Other Comprehensive Income | | |
| Actuarial (Gain)/Loss | -26,64,195 | - |
| Return on Plan Assets | | |
| Net (Income)/Expenses for the period recognised in OCI | -26,64,195 | - |
| Particulars | Leave Benefits (Non Funded) | |
| | 2017-18 | 2016-17 |
| In Income Statement | | |
| Current Service Cost | 2,98,957 | - |
| Interest Cost | 84,972 | - |
| Past Service Cost | - | - |
| Return on Plan Assets | | |
| Net Cost | 3,83,929 | - |
| In Other Comprehensive Income | | |
| Actuarial (Gain)/Loss | 78,661 | - |
| Return on Plan Assets | | |

| | | |
|--|--------------------------------|----------------|
| Return on Plan Assets | | |
| Net (Income)/Expenses for the period recognised in OCI | 4,62,590 | - |
| Investment Details | | |
| Gratuity Fund (LIC of India) | - | - |
| Total | - | - |
| Actuarial Assumptions | Gratuity (Funded) | |
| Mortality Table (ALM) | 2017-18 | 2016-17 |
| Discount Rate (Per Annum) | 7.55% | 0.00% |
| Rate of Escalation in Salary (Per annum) | 6% | 0% |
| Actuarial Assumptions | Leave Benefits (Funded) | |
| Mortality Table (ALM) | 2017-18 | 2016-17 |
| Discount Rate (Per Annum) | 7.55% | 0.00% |
| Rate of Escalation in Salary (Per annum) | 6% | 0% |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflations, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

The company has not made actuary valuation during previous year, expenses for the previous year had been accounted for on the basis of simple calculation under the Gratuity Act, hence figures for the year 2016-17 not given.

The expected contribution for Defined Benefit Plan for the next financial year will be in line with FY 2017-18.

Sensitivity Analysis

Significant Actuarial Assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employment turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

36 MAT Liability not provided for

Provision for liability for Minimum Alternate Tax (MAT) under Income Tax Act, 1961 has not been made for the year amounting to Rs. 5144040/- (Previous Year Rs. 3421667). Total of Rs. 24473898/- from Financial Year 2014-15 has not been provided. The company is of the view that there will be no Income Tax Liability on the following grounds:

- That the Board for Industrial and Financial Reconstruction (BIFR), vide its order dated 15/01/2014, had ordered for merger of Premier Industries (India) Ltd. (Transferor Company) with Girdharil Sugar And Allied Industries Limited (Transferee Company) with all its Assets and Liabilities.
- That the BIFR had provided in its order several reliefs and concessions to the merged Company (GSAIL). According to clause-16.7 of Relief & Concessions, BIFR has directed CBDT to consider "to exempt/grant relief to the company from the provisions of Section 41(1), 45, 72(3), 43B, 79, 80 read with 139, 115JB and provisions of Chapter-XVII of the Income Tax Act.
- That the Company in the meanwhile has approached the concerned Income Tax authorities for granting aforesaid relief under various sections /chapter of Income Tax Act.

37 Interest Liability if any on various unpaid / undisputed statutory dues have not been separately quantified and adjusted during the year.

38 Payment to Auditors As:

(In Rs.)

| Particulars | 2017-18 | 2016-17 |
|---|-----------------|-----------------|
| (a) Auditors | | |
| Statutory Auditors Fees | 1,50,000 | 2,00,000 |
| Tax Audit Fees | - | 20,000 |
| (b) Certification and Consultation Fees | 10,900 | 36,205 |
| Service Tax | - | 33,000 |
| Total | 1,60,900 | 2,89,205 |

Certification and Consultation fees primarily includes certification fees paid to auditors. Statutes and regulation require auditors to certify export documentation, quarterly filings, XBRL filings, transfer pricing and bond issuances among others.

39 EARNING PER SHARES (EPS)

| Particulars | 2017-18 | 2016-17 |
|--|-------------|-------------|
| i) Net Profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders | 40,01,721 | 2,48,08,210 |
| ii) Weighted Average number of Equity Shares used as denominator for calculating Basic EPS | 1,91,68,887 | 1,91,68,887 |
| iii) Weighted Average Potential Equity Shares | - | - |
| iv) Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS | 1,91,68,887 | 1,91,68,887 |
| v) Basic Earnings Per Share (Rs.) | 0.21 | 1.29 |
| vi) Diluted Earning Per Share (Rs.) | 0.21 | 1.29 |
| vii) Face Value per Equity Share (Rs.) | 10.00 | 10.00 |

40 RELATED PARTIES DISCLOSURES

(i) As per Ind AS 24, the disclosures of transactions with the related parties are given below:

List of related parties where control exists and also related parties with whom transactions have taken place and relationships:

| Sr. No. | Name of Related Party | Relationship |
|---------|---------------------------------|---|
| 1 | Premier Proteins Ltd. | Company in which Directors are interested |
| 2 | Vertex Investments P. Ltd. | Company in which Directors are interested |
| 3 | Manthan Milk Products Pvt. Ltd. | Company in which Directors are interested |
| 4 | Indrajit Solar Power P. Ltd. | Company in which Directors are interested |
| 5 | Yukti Investments Pvt. Ltd. | Company in which Directors are interested |
| 6 | Rajesh Agrawal | Key Managerial Person – Chairman |
| 7 | R.G.Agrawal | Director |
| 8 | Shri. Vishnudutt Sharma | Key Managerial Person – Company Secretary |
| 9 | Kushal Agrawal | Relative of Key Managerial Person |

(ii) Transaction during the year with related parties:

| Sr. No. | Nature of Transactions | Company in which Directors are Interested | Key Managerial Personnel | Relatives of KMP | Total |
|---------|-------------------------|---|--------------------------|------------------|-------------|
| 1 | Sale of Goods | 47,38,500 | - | - | 47,38,500 |
| 2 | Interest Paid | 30,40,623 | 7,27,578 | - | 37,68,201 |
| 3 | Interest Received | 74,37,582 | - | - | 74,37,582 |
| 4 | Remuneration | - | 15,09,000 | 6,00,000 | 21,09,000 |
| 5 | Unsecured Loan Received | 1,99,40,000 | - | - | 1,99,40,000 |
| 6 | Unsecured Loan Repaid | 3,20,67,900 | - | - | 3,20,67,900 |

Balances as at 31st March 2018

| | | | | | |
|---|--------------------------|--------------|---|---|--------------|
| 1 | Trade Receivables | 43,19,644 | - | - | 43,19,644 |
| 2 | Unsecured Loan | 5,46,55,341 | - | - | 5,46,55,341 |
| 3 | Loans and Advances Given | 14,98,75,133 | - | - | 14,98,75,133 |

(iii) Disclosure in Respect of Major Related Party Transactions during the year:

| Particulars | Relationship | 2017-18 | 2016-17 |
|--|------------------------|-------------|-----------|
| 1 Sale of Goods | | | |
| Manthan Milk Products Pvt. Ltd. | Director Interested | 47,38,500 | - |
| 2 Interest Paid (Unwinding of Finance Cost Debited to Profit & Loss Account) | | | |
| Rajesh Agrawal | Chairman | 7,27,577 | 6,37,387 |
| Indrajeet Sola Power Pvt Ltd | Director Interested | 3,52,930 | 3,09,180 |
| Yukti Investments Pvt Ltd | Director Interested | 16,01,757 | 14,03,204 |
| Vertex Investments Pvt Ltd | Director Interested | 10,85,937 | 9,51,325 |
| 3 Interest Received (Unwinding of Finance Income credited to Profit & Loss Account) | | | |
| Premier Proteins Ltd | Director Interested | 74,37,582 | 65,15,622 |
| 4 Remuneration | | | |
| Shri Rajesh Agrawal | KMP- Director | 12,60,000 | 12,30,000 |
| Cs Vishnudutt Sharma | KMP- Company Secretary | 2,49,000 | 2,40,000 |
| Shri Kushal Agrawal | Relatives of KMP | 6,00,000 | 6,00,000 |
| 5 Unsecured Loan received | | | |
| Vertex Investments Pvt. Ltd. | Director Interested | 1,99,40,000 | 28,32,600 |
| 6 Unsecured Loan Repaid | | | |
| Vertex Investments Pvt. Ltd. | Director Interested | 3,20,67,900 | - |

Balances as at 31st March, 2018

| Particulars | Relationship | 31/3/2018 | 31/3/2017 | 04/01/2016 |
|-----------------------------------|---------------------|--------------|--------------|--------------|
| 1 Trade Receivables | | | | |
| Manthan Milk Products Pvt. Ltd. | Director Interested | 43,19,644 | - | - |
| 2 Unsecured Loan | | | | |
| Vertex Investments Pvt. Ltd. | Director Interested | 3,71,78,337 | 2,42,56,743 | 2,42,56,743 |
| Indrajit Solar Power Pvt. Ltd. | Director Interested | 28,47,131 | 24,94,201 | 21,85,021 |
| Yukti Investments Pvt. Ltd. | Director Interested | 87,60,403 | 76,74,466 | 67,23,142 |
| Shri Rajesh Agrawal | | 58,69,470 | 51,41,892 | 45,04,505 |
| 3 Loans and Advances Given | | 14,98,75,133 | 13,51,47,652 | 13,46,70,107 |

(iv) Compensation of Key Management Personnel

The remuneration of director and other member of Key Management personnel during the year was as follows:-

| | 2017-18 | 2016-17 |
|------------------------------|------------------|------------------|
| i Short-term benefits | 21,09,000 | 20,70,000 |
| ii Post employment benefits | | |
| iii Other long term benefits | | |
| iv Share based Payments | | |
| v Termination benefits | | |
| Total | 21,09,000 | 20,70,000 |

41 CONTINGENT LIABILITIES AND COMMITMENTS**(I) Contingent Liabilities**

| | | |
|---|----------|---------|
| (A) Claims against the Company/disputed liabilities not acknowledged as dues | 48830000 | NIL |
| (B) Guarantees | | |
| Outstanding Guarantees furnished to Banks and Financial Institutions including in respect of Letters of Credits | 1670000 | 1670000 |
| (C) Other Money for which the Company is contingently liable | | |
| (i) Liability in respect of bills discounted with Banks (including third party bills discounting) | NIL | NIL |
| (ii) Income Tax & Excise appeals for which no provision is considered required as the company is hopeful of successful outcome in the appeals | | |

| Particulars | Financial year | Amount in Rs | Forum Where dispute is pending " |
|-----------------------------------|----------------------|--------------|--|
| Income Tax | 2009-10 | 1,95,17,760 | CIT Appeals |
| VAT/Central Sales Tax / Entry Tax | 1999-2000 to 2016-17 | 5,26,90,600 | High Court/ Commissioner of Commercial Tax/ Dy. Commissioner |
| Excise | 2005-06 | 8,18,153 | Commissioner of Central Excise (Appeal) |

(II) Commitments

| | | |
|---|-----|-----|
| (A) Estimated amount of contracts remaining to be executed on capital account and not provided for: | NIL | NIL |
| (B) Other Commitments | NIL | NIL |

42 CAPITAL MANAGEMENT

The Company adheres to a robust Capital Management framework which is underpinned by the following guiding principles;

- Maintain financial strength to attain AAA ratings domestically and investment grade ratings internationally.
- Ensure financial flexibility and diversify sources of financing and their maturities to minimize liquidity risk while meeting investment requirements.
- Proactively manage group exposure in forex, interest and commodities to mitigate risk to earnings.
- Leverage optimally in order to maximize shareholder returns while maintaining strength and flexibility of the Balance sheet.

This framework is adjusted based on underlying macro-economic factors affecting business environment, financial market conditions and interest rates environment.

The gearing ratio at end of the reporting period was as follows.

| Particulars | As at 31 st March, 2018 | As at 31 st March, 2017 | As at 1 st April, 2016 |
|--|---------------------------------------|---------------------------------------|--------------------------------------|
| Non-Current Liabilities (Other than DTL) | 3,78,18,345 | 8,99,90,670 | 10,84,51,369 |
| Current maturities of Long Term debts | 12,26,11,023 | 12,02,29,749 | 9,85,41,168 |
| Gross Debt | 16,04,29,368 | 21,02,20,419 | 20,69,92,537 |
| Cash and Cash Equivalents | 29,29,563 | 14,93,849 | 27,44,982 |
| Net Debt (A) | 15,74,99,805 | 20,87,26,570 | 20,42,47,555 |
| Total Equity (As per Balance Sheet) (B) | 17,55,04,375 | 17,62,05,899 | 15,79,13,310 |
| Net Gearing (A/B) | 0.90 | 1.18 | 1.29 |

43 FINANCIAL INSTRUMENTS

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in Equity Shares of Co-Operative Bank is measured at market repurchase price which is the best available fair value.

Fair Value measurement hierarchy:

| Particulars | As at 31 st March,2018 | As at 31 st March,2017 | As at 1 st April,2016 |
|------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Financial Assets | | | |
| At Amortised Cost | | | |
| Investments | 1,200 | 1,200 | 1,200 |
| Trade Receivables | 11,27,71,587 | 12,39,41,467 | 6,17,11,324 |
| Cash and Bank Balances | 43,76,403 | 31,57,722 | 35,57,363 |
| Loans | 17,29,38,017 | 16,30,47,964 | 16,56,33,644 |
| Other Financial Assets | 2,43,25,373 | 2,64,22,164 | 2,22,33,174 |
| At FVTPL | | | |
| Investments | - | - | - |
| At FVTOCI | | | |
| Investments | - | - | - |
| Financial Liabilities | | | |
| Borrowings | 15,42,60,631 | 20,09,42,818 | 19,90,73,854 |
| Trade Payables | 26,29,62,255 | 27,36,65,756 | 20,90,17,141 |
| Other Financial Liabilities | 22,74,06,297 | 18,21,52,855 | 18,27,15,820 |

Explanation to the fair value hierarchy

The Company measures financial instruments, such as, quoted investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.
- Level 2** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration included in level 3.

Foreign Currency Risk:

The Company does not have any dealing in any foreign currency. Hence the Company does not have any exposure and is free of any Risk associates with Foreign Currency.

There is no impact on the profit / Loss of the Company on fluctuation of any foreign currency.

Interest Rate Risk

The exposure of the company's borrowing and derivatives to interest rate changes at the end of the reporting period are as follows

Interest Rate Exposure

| Particulars | As at 31 st March,2018 | As at 31 st March,2017 | As at 1 st April,2016 |
|------------------------------|--------------------------------------|--------------------------------------|-------------------------------------|
| Loans Taken | | | |
| Long Term Floating Loan | - | - | - |
| Long term Fixed Loan | - | - | - |
| Short Term Loan / Term Loans | 14.15 | 14.10 | 14.50 |
| Total | 14.15 | 14.10 | 14.50 |

Impact on Interest Expenses for the year on 1% change in Interest rate

2,35,28,803.00

2,24,99,103.00

Interest rate Sensitivity

| Particulars | As at 31 st March,2018 | | As at 31 st March,2017 | |
|---------------------|-----------------------------------|--------------------|-----------------------------------|--------------------|
| | Up Move | Down Move | Up Move | Down Move |
| Impact on Equity | | | | |
| Impact on P & L | 33,29,326 | (33,29,326) | 31,72,374 | (31,72,374) |
| Total Impact | 33,29,326 | (33,29,326) | 31,72,374 | (31,72,374) |

Commodity Price Risk

Commodity price risk arises due to fluctuation in prices of raw material. The company has a risk management framework aimed at prudently managing the risk arising from the volatility in raw material prices and freight costs.

The company's commodity risk is managed centrally through well-established trading operations and control processes. In accordance with the risk management policy, the Company carefully calibrates the timing and the quantity of purchase

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to perform or pay the amounts due causing financial loss to the company. Credit risk arises mainly from the outstanding receivables from customers.

The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. The credit ratings/market standing of the customers are evaluated on a regular basis.

Liquidity Risk

Liquidity risk arises from the Company's inability to meet its cash flow commitments on time. Prudent liquidity risk management implies maintaining sufficient stock of cash and marketable securities. The Company maintains adequate cash and cash equivalents alongwith the need based credit limits to meet the liquidity needs.

Maturity Analysis for financial liabilities

The following are the remaining contractual maturities of financial liabilities

As at 31st March 2018

| Particulars | Less than One year | 1 to 5 years | More than 5 years | Total |
|------------------------------------|---------------------|--------------|-------------------|---------------------|
| Non-derivative | | | | |
| Trade payables | 26,29,62,255 | | | 26,29,62,255 |
| Borrowings | | | | |
| Rupee term loan | 8,72,91,318 | - | - | 8,72,91,318 |
| Long Term Loan From Related Party | 3,03,98,598 | - | - | 3,03,98,598 |
| Short Term Loan From Related Party | 2,42,56,743 | | | 2,42,56,743 |
| Other financial liabilities | 22,74,06,297 | - | - | 22,74,06,297 |
| Total Non-derivative | 63,23,15,211 | - | - | 63,23,15,211 |
| Derivative (N.A) | | | | |

As at 31 March 2017

| Particulars | Less than One year | 1 years to 5 years | More than 5 years | Total |
|------------------------------------|---------------------|--------------------|-------------------|---------------------|
| Non-derivative | | | | |
| Trade payables | 27,36,65,756 | | | 27,36,65,756 |
| Borrowings | | | | |
| Rupee Term Loan | 6,82,63,243 | 5,40,82,672 | - | 12,23,45,915 |
| Long Term Loan From Related Party | - | 2,66,30,397 | | 2,66,30,397 |
| Short Term Loan From Related Party | 3,96,94,656 | | | 3,96,94,656 |
| Other financial liabilities | 18,21,52,855 | - | - | 18,21,52,855 |
| Total Non-derivative | 56,37,76,510 | 8,07,13,069 | - | 64,44,89,579 |
| Derivative (N.A) | | | | - |

As at 1 April 2016

| Particulars | Less than One year | 1 years to 5 years | More than 5 years | Total |
|-----------------------------------|---------------------|--------------------|-------------------|---------------------|
| Non-derivative | | | | |
| Trade payables | 20,90,17,141 | | | 20,90,17,141 |
| Borrowings | | | | |
| Rupee Term Loan | 6,82,89,125 | 6,97,87,120 | - | 13,80,76,245 |
| Long Term Loan From Related Party | - | 2,33,29,301 | - | 2,33,29,301 |
| Short Loan From Related Party | 2,92,52,043 | - | - | 2,92,52,043 |
| Other financial liabilities | 18,27,15,820 | - | - | 18,27,15,820 |
| Total Non-derivative | 48,92,74,129 | 9,31,16,421 | - | 58,23,90,550 |
| Derivative (N.A) | | | | - |

Hedge Accounting

The Company has not availed any Foreign Currency Loans. Hence the Company has not taken any forward cover to hedge against the foreign currency risks.

Operating Leases

(a) the total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(i) not later than one year;

(ii) later than one year and not later than five years;

(iii) later than five years.

NIL

NIL

(b) the total of future minimum sublease payments expected to be received under non-cancellable subleases at the end of the reporting period.

NIL

- (c) lease and sublease payments recognised as an expense in the period, with separate amounts.
- (d) The Company pays rent for office premises at Raipur and Indore. The lease period is for 11 months with option to renew. None of the lease agreements have any restrictions concerning dividend, additional debt and further leases.
- 44 The Company is primarily engaged in business of Soya Business and Dairy Business which constitute reportable segment in accordance with IND AS 108 "Operating Segments". The company has temporarily closed its soya operations in F.Y.2016-17 and still continue upto 31.12.2017 due to disparity of margin.

Operating Segment Information for 2016 -17 & 2017-18

| Revenue from External Customers | 2017-2018 | | | 2016-2017 | | |
|---------------------------------|--------------|----------------|-----------|--------------|----------------|------------|
| | Soy Business | Dairy Business | Total | Soy Business | Dairy Business | Total |
| With in India | 10325740 | 455797078 | 466122818 | 309662116 | 781605326 | 1091267442 |
| Outside India | - | - | - | - | - | - |
| Total | 10325740 | 455797078 | 466122818 | 309662116 | 781605326 | 1091267442 |

Details of Revenue from Single Customer more than 10% (standalone)

Revenues from two customers of dairy segment amounting to Rs.250614704 (Previous Year Rs.40823392), Rs.124423041 and Rs. 126191663, each exceeding 10% of the total revenue of the company for FY 2017-18.

Segment Information

| Particulars | 2017-2018 | | | 2016-2017 | | |
|--|----------------------|-----------------------|--------------|----------------------|-----------------------|--------------|
| | Soy Business | Dairy Business | Total | Soy Business | Dairy Business | Total |
| Revenue | 10325740 | 455797078 | 466122818 | 309662116 | 781605326 | 1091267442 |
| Inter Segment Sales Results | - | - | - | - | - | - |
| Operating Profit | -45570230 | 40685668 | -4884562 | -44926831 | 46283236 | 1356405 |
| Other Income | 5450390 | 5391488 | 10841878 | 8818419 | 8321417 | 17139836 |
| Profit Before Tax | -40119840 | 46077156 | 5957316 | -36108412 | 54604653 | 18496241 |
| Income Tax | 778743 | - | 778743 | -10582742 | - | -10582742 |
| Net Profit | -39341097 | 46077156 | 6736059 | -46691154 | 54604653 | 29078983 |
| Segment Assets | 677286270 | 254560591 | 931846861 | 627004115 | 350528830 | 977532945 |
| Unallocated Assets | 0 | 15952000 | 15952000 | - | - | - |
| Segment Liabilities | 431859381 | 340435104 | 772294485 | 427654381 | 373672665 | 801327046 |
| Unallocated Liabilities | - | - | - | - | - | - |
| | 2017-2018 | | | 2016-2017 | | |
| Non Current Assets | Soya Business | Dairy Business | Total | Soya Business | Dairy Business | Total |
| (Other than financial instruments; Post Employment benefits; Deferred Tax Assets; and right arising under insurance contracts) | | | | | | |
| With in India | | | | | | |
| Property, Plant & Equipments | 292342283 | 133685584 | 426027867 | 325159894 | 133685594 | 458845488 |
| Capital Work in Progress | 782457 | - | 782457 | 782857 | - | 782857 |
| Security Deposits | - | - | 0 | - | - | - |
| Capital Advance | - | - | 0 | - | - | - |
| Outside India | - | - | 0 | - | - | - |
| Total | 293124740 | 133685584 | 426810324 | 325942751 | 133685594 | 459628345 |

45 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEE GIVEN COVERED U/S 186(4) OF THE COMPANIESACT, 2013.

Loan given and Investments made are given under the respective heads.

Corporate Guarantees /Loans given by the Company in respect of loans as at 31st March, 2018

| Sr. No. | Particulars | Name of Entity | Relations | Purpose | Amount |
|---------|-----------------|----------------------|---------------------|---------------|--------------|
| 1 | Loan Given* | Premier Proteins Ltd | Director Interested | Business Loan | 14,98,59,072 |
| 2 | Guarantee Given | - | - | - | - |

All the above Corporate Guarantee/Loans have been given for business purpose.

46 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors have recommended dividend of Rs Nil Per fully paid up equity share of Rs.10/- each, aggregating Rs. Nil Including Rs. Nil dividend distribution tax for the financial year 2017-18.

47 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the board of directors on June 06, 2018.

As per our report of Even Date
For Sunil Bandi & Company
Chartered Accountants
Firm Reg. No. 007419C
CA: Sunil Bandi
Partner
M.No. 077705
PLACE: DEWAS
DATE: 06th June 2018

For and behalf of the Board of Directors
RAJESH AGRAWAL
DIRECTOR
DIN NO.: 00107009
VISHNU DUTT SHARMA
COMPANY SECRETARY
M.NO.31223
R.G. AGRAWAL
DIRECTOR
DIN NO.: 00359638

ANNUAL GENERAL MEETING 28.09.2018

ADMISSION SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

Name (in block letters) _____

Member's Folio Number : _____

Name of Proxy (in block letters to be filled in case the Proxy attends instead of the Member)

_____ No. of Shares held _____

I hereby record my presence at the Annual General Meeting of Girdharilal Sugar and Allied Industries Limited on Friday, 28th of September 2018 at 10.00 A.M. at 45/47-A, Industrial Area No. 1, A.B. Road, Dewas (M.P.) 455 001.

Please the appropriate box Member Proxy

_____ Member's/Proxy's Signatures*

Note : Please note that no gift/gift coupon will be distributed at the AGM.

*To be signed at the time of handing over this slip.

(Please complete this attendance slip and hand it over at the entrance of the hall)

GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED

CIN : L15424MP1989PLC005564

Regd. Office : 45/47-A, Industrial Area No. 1, A.B. Road, Dewas (M.P.) 455 001.

Form No. MGT-11

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19 (3) of the Companies
(Management and Administration) Rules, 2014)

| | |
|--------------------|--|
| CIN : | L15424MP1989PLC005564 |
| Name of Company | GIRDHARILAL SUGAR AND ALLIED INDUSTRIES LIMITED |
| Registered Office | 45/47-A, Industrial Area No. 1, A.B. Road, Dewas (M.P.) 455 001. |
| Name of Member (s) | |
| Registered Address | |
| Email Id | |
| Folio No/Client Id | DP ID |

I/We, being the member(s) of Shares of the above named company, hereby Appoint

| | | | |
|----|----------------|------------|--|
| 1. | Name | Signatures | |
| | Address | | |
| | E-mail Id | | |
| | Or failing him | | |
| 2. | Name | Signatures | |
| | Address | | |
| | E-mail Id | | |
| | Or failing him | | |
| 3. | Name | Signatures | |
| | Address | | |
| | E-mail Id | | |

as my/our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 29th Annual General Meeting Meeting of the Company, to be held on Friday the 28th September, 2018 at 10:00 A.M. at 45/47-A, Industrial Area No. 1 A.B. Road, Dewas (M.P.) 455 001 and at any adjournment of such resolutions as are indicated below:

**I wish my above proxy to vote in the manner as indicated in the box below:

| S.No. | Particulars of Resolution | For | Against |
|-------|---|-----|---------|
| 1. | To receive, consider and adopt the Financial Statements for the year ended as at March 31, 2018, and the Reports of the Directors and the Auditors thereon for the said period. | | |
| 2. | Re-appointment of Shri Rajesh Agrawal (DIN:00107009) as Directors of the Company who retire by rotation. | | |
| 3. | Approve remuneration of Cost Auditor under section 148 of Companies Act, 2013. | | |

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP1d and Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail address (to be Registered) :

I/we Shareholder(s) of Girdharilal Sugar and Allied Industries Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail ID for your records for sending communication through e-mail.

Date :

Signature :

(1st holder only)

Note :

Shareholder(s) are requested to keep the Company informed as when there is any change in the e-mail address.

Printed Matter Inside

BOOK-POST

To, _____

If undelivered, please return to :
**GIRDHARILAL SUGAR AND ALLIED
INDUSTRIES LIMITED**
45/47-A, Industrial Area No. 1,
A.B. Road, Dewas 455 001 (M.P.)
Ph.: 07272-259505
Website : www.gsail.org
Email : preind2002@yahoo.com