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**LEGAL ADVISORS**

M/s.Nanavati & Nanavati,  
Advocates,  
Ahmedabad.

**BANKERS**

Punjab National Bank

**REGISTERED OFFICE**

P.O.Kathwada-Maize Products,  
Ahmedabad – 382 430.  
Tel. +91 79-22901581 to 85  
Fax +91 79-22902424  
E-mail maize@maizeproducts.com

**REGISTRARS AND TRANSFER AGENTS**

Karvy Computershare Private Limited  
Plot No. 17-24, Vittalrao Nagar,  
Madhapur, Hyderabad-500081  
Tel. +91 40 23420818  
E-mail einward.ris@karvy.com

**FACTORY**

P.O. Kathwada,  
Maize Products  
Ahmedabad-382430,  
Gujarat

# SAYAJI INDUSTRIES LIMITED

## COMPANY INFORMATION CHAIRMAN AND MANAGING DIRECTOR

Mr. Priyam B. Mehta

**EXECUTIVE DIRECTORS**

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

**NON EXECUTIVE DIRECTORS**

CA Mahendra N. Shah

Mr. Vishvajit M. Mehta

Dr. Gaurang K. Dalal

Dr. Janak D. Desai

CA Chirag M. Shah

**BOARD COMMITTEES****AUDIT COMMITTEE**

CA Chirag M. Shah – Chairman

Mr. Priyam B. Mehta

Mr. Vishvajit M. Mehta

Dr. Gaurang K. Dalal

**REMUNERATION COMMITTEE**

CA Mahendra N. Shah – Chairman

CA Chirag M. Shah

Dr. Janak D. Desai

**SHAREHOLDERS GRIEVANCE COMMITTEE**

CA Mahendra N. Shah- Chairman

Dr. Gaurang K. Dalal

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

**COMPANY SECRETARY**

Mr. Rajesh H. Shah

B. Com., LL.B., A.C.S.

**AUDITORS**

M/s. Deloitte Haskins & Sells,

Chartered Accountants,

Ahmedabad.

**72<sup>nd</sup> Annual General Meeting on Wednesday, 14<sup>th</sup>, August, 2013 at 10.30 a.m. at Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad-382430.**



## NOTICE

Notice is hereby given that the 72<sup>nd</sup> annual general meeting of the shareholders of Sayaji Industries Limited will be held at Bhuriba Lallubhai Mehta Primary School, Kathwada – Maize Products, Ahmedabad-382 430 on wednesday, the 14<sup>th</sup> August, 2013 at 10.30 a.m. to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the balance sheet as at 31<sup>st</sup> March, 2013 and the statement of profit and loss of the company for the year ended on that date and the report of the directors and auditors thereon.
2. To declare dividend on equity shares of the company.
3. To appoint a director in place of Dr. Gaurang K. Dalal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. Janak D. Desai who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **ordinary resolution** :

**“RESOLVED THAT** pursuant to provisions of section 224 and other applicable provisions, if any, of the companies act, 1956 M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad be and are hereby appointed as the auditors of the company to hold the office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the company, on a remuneration of Rs.6,00,000/- (Rupees six lacs only) plus applicable service tax and out of pocket expenses.”

### SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a **special resolution**:

**“RESOLVED THAT** pursuant to the provisions of sections 198, 269, 309 and 310 of the companies act, 1956 (hereinafter referred to as the act) read with schedule XIII thereof, as amended from time to time and other applicable provisions, if any, of the act, and subject to the approval of central government, the consent of shareholders be and is hereby accorded to

the terms and conditions as contained in draft agreement of reappointment of Mr. Priyam B. Mehta, as managing director of the company with effect from 12<sup>th</sup> August, 2013 for the period of 5 years ending on 11<sup>th</sup> August, 2018.”

**“RESOLVED FURTHER THAT** the consent of the company be and is hereby also accorded to terms and conditions including the remuneration payable to Mr. Priyam B. Mehta, managing director as contained in the draft agreement of the re-appointment to be entered into with him as approved by remuneration committee and the board of directors at their respective meetings held on 30<sup>th</sup> May, 2013.”

**“RESOLVED FURTHER THAT** the board of directors of the company be and is hereby authorized to execute the agreement with the managing director subject to the approval of the central government and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the board shall have absolute powers to accept any modification in the terms and conditions as may be approved by the central government while according its approval and acceptable to Mr. Priyam B. Mehta the managing director and to modify the same in accordance with the said approval of the central government and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the company.”

**“RESOLVED FURTHER THAT** Mr. Priyam B. Mehta managing director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the company's business and such other benefits/amenities and other privileges, as may from time to time, is available to other senior executives of the company.”

7. To consider and if thought fit, to pass with or without modifications, the following resolution as a **special resolution** :

**“RESOLVED THAT** pursuant to the provisions of sections 198, 310 and other applicable provisions, if any, of the companies act, 1956 read with schedule XIII to the said act as amended from time to time, Mr. Varun P. Mehta, the executive director of the company, be and is hereby paid the salary of upto Rs. 3,00,000/- per

month and other perquisites/ allowances/ other payments as mentioned in the agreement dated 16<sup>th</sup> August, 2010 (hereinafter referred to as "the said agreement") executed with him in connection with his appointment as the executive director for the remaining tenure of his appointment from 16<sup>th</sup> January, 2013 to 15<sup>th</sup> January, 2015 ensuring that the total remuneration to be paid to Mr. Varun P. Mehta shall not exceed the limits prescribed under schedule XIII to the said act."

**"FURTHER RESOLVED THAT** the modification as aforesaid shall form the part of the said agreement entered into by the company with Mr. Varun P. Mehta for his appointment as the executive director of the company from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2015 and all other terms and conditions of the said agreement shall remain valid and unchanged."

**"FURTHER RESOLVED THAT** the board of directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

8. To Consider and if though fit, to pass with or without modifications, the following resolution as a **special resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 294, 294AA and other applicable provisions, if any, of the companies act,1956 or any statutory amendment or substitution thereof, the consent of the company be and is hereby accorded to the re-appointment of M/s L. G. & Doctor Associates Private

Limited as the sole selling agents for the sale of products manufactured by the company for a further period of five years from 1<sup>th</sup> October 2013 to 30<sup>th</sup> September 2018 on the terms and conditions contained in the draft agreement placed before the meeting duly initialed by the chairman for the purpose of identification."

**"FURTHER RESOLVED THAT** such reappointment shall be subject to the approval of central government, if required under the law, and the board of directors be and is hereby authorized to agree to such terms and conditions as may be prescribed by the central government while granting its approval or otherwise considered fit by the board and accordingly execute the agreement with the sole selling agent with or without modifications."

**By order of the Board of Directors**  
**Rajesh H. Shah**  
 Company Secretary

Place : Ahmedabad  
 Date : May 30, 2013

Particulars of directors proposed to be reappointed at the 72<sup>nd</sup> Annual General Meeting of the Company

Name of director	Dr. Gaurang K. Dalal	Dr. Janak D. Desai
Date of birth	18-05-1952	13-04-1958
Age	61 years	55 years
Date of appointment	16-01-2010	29-01-2011
Qualification & experience	He is a general physician and one of the senior most doctors in Ahmedabad.	He is M.S. and M.Ch. and senior urologist with extensive experience in endoscopic surgeries and urological cancer surgeries. He was a council member of Indian urology association and member of various international organisations.
Directorship held in other companies	Denis Chem Laboratories Limited	Samved Hospital Private Ltd. Samved Medicare Private Ltd.
Chairman/Member of the committees of the board of the other companies on which he is a director	Nil	Nil
Disclosure of relationship	Not related to any director	Not related to any director
No. of shares held in the company	10	12

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of members and share transfer books of the company will remain closed from wednesday, the 7<sup>th</sup> August, 2013 to wednesday, the 14<sup>th</sup> August, 2013 (both days inclusive).
3. The dividend on shares, if sanctioned by the annual general meeting, will be payable at specified branches of Axis Bank Limited, in India from 24<sup>th</sup> August, 2013, by dividend warrants valid for a period of three months to those shareholders whose names appear on the register of members of the company on 7<sup>th</sup> August, 2013. Thereafter, the dividend shall be paid by account payee cheques only from the registered office of the company at P.O. Kathwada Maize Products, Ahmedabad – 382 430.
4. Pursuant to section 205 A (5) of the companies act, 1956, all unclaimed/unpaid dividends in respect of the company's accounting year ended March 31, 2006 will be transferred to the investor education and protection fund set up by the Government of India pursuant to section 205 C of the companies act, 1956, within 30 days from 2<sup>nd</sup> October, 2013. Shareholders are requested to make their claim to the company for unclaimed/unpaid dividend for the year 2005-2006 before 2<sup>nd</sup> October, 2013.  
  
Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended on 31<sup>st</sup> March, 2007 and onwards, are requested to make their claims to the company immediately.
5. Shareholders are requested to note that equity shares of the company are dematerialized and ISIN of the company is INE327G01016. The shareholders having their accounts with DPs having connectivity with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) may submit their shares for dematerialisation to their respective Dps.
6. The company has appointed **M/s Karvy Computershare Private Limited** as the registrars and transfer agents for carrying out all the work relating to transfer, transmission, issue of duplicate share certificates in lieu of misplaced/ lost certificates, change of address etc., to establish connectivity with NSDL and CDSL and to process the demat/ remat requests received from the DPs with whom members have opened their respective beneficiary accounts. The

members are requested to send all their requests for share transfer, transmission, issue of duplicate share certificates, change of address etc. to **M/s Karvy Computershare Private Limited at Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad- 500 081.**

7. Shareholders are requested to quote their folio numbers/ beneficiary account numbers in all their correspondence.
8. Shareholders desirous of obtaining any information concerning the accounts of the company are requested to send their queries to the company secretary at least 7 days before the date of the meeting so that the information referred by the members may be made available at the meeting.
9. Shareholders are requested to notify their bank account number to the company / M/s Karvy Computershare Private Limited, so as to ensure the smooth process of payment of dividends. Change, if any, in the bank account number should also be informed to the company / **M/s Karvy Computershare Private Limited** at the earliest.

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

#### ITEM NO. 6

Item No. 6 of the notice relates to the re-appointment of Mr. Priyam B. Mehta as the managing director of the company, whose present tenure will expire on 11<sup>th</sup> August, 2013. The new terms of appointment of managing director will be effective for 5 years from 12<sup>th</sup> August, 2013 to 11<sup>th</sup> August, 2018. The proposed remuneration will be effective, subject to the approval of the central government and shareholders in the 72<sup>nd</sup> annual general meeting of the company.

The terms and conditions of re-appointment of Mr. Priyam B. Mehta, as the managing director of the company are as under:-

#### REMUNERATION:

##### Salary

Rs. 5,00,000/- per month.

##### Perquisites

Maximum up to Rs. 2,50,000/- per month which shall include perquisites of categories 'A', 'B' and 'C' as below :

#### CATEGORY 'A'

##### i) House rent allowance

- a) The expenditure by the company on hiring furnished accommodation will be subject to ceiling of 50% of the salary over and above 10% payable by the managing director.

- b) In case the accommodation is owned by the company, 10% of the salary of the managing director shall be deducted by the company.
- c) In case no accommodation is provided by the company, the managing director shall be entitled to house rent allowance not exceeding 50% of the salary.
- d) The expenditure incurred by the company on gas, electricity, water etc. will be valued as per rule no. 3(d) (ii) of the income tax rules, 1962.
- e) The perquisites for furnishings shall be worked out at the rate of ten percent of the actual cost of the furnishings.

**ii) Medical reimbursement:**

Expenses incurred for self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years. He shall also be entitled to the benefit of medical treatment referred to in proviso to section 17(2) of the income tax act, 1961 or to such modifications as may be made therein from time to time.

**iii) Leave travel concession:**

For self and family once in a year incurred in accordance with any rules specified by the company.

**iv) Club fees:**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**v) Personal accident insurance:**

Premium not to exceed Rs. 40,000/- per annum.

**vi) Medici claim insurance:**

Premium not to exceed Rs. 20,000/- per annum or such amount as may be prescribed in section 80D of the income tax act, 1961.

**CATEGORY 'B'**

**i) Contribution to provident fund & other funds:**

Contribution to the provident fund, superannuation or annuity fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the income-tax act.

**ii) Gratuity:**

As per the rules not exceeding half a month's salary for each completed year of service, and shall not be included in the computation of ceiling on perquisites as specified above.

**iii) Leave encashment:**

The managing director shall be entitled to fully paid leave as per the company's rules. Encashment of leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites as specified above.

**CATEGORY 'C'**

**Provision of a car and telephone:**

The company shall provide a car for use on company's business and also for personal purposes and telephone at the residence of the managing director. The managing director shall be billed by the company for personal long distance calls on telephone and perks for the use of car for personal purposes shall be evaluated as per income tax rules.

**Commission :**

Within the overall ceiling on remuneration of 5% or 10% of the net profits of the company computed in the manner laid down under section 309(5) of the companies act, 1956 in each year.

**Other Benefits:**

Such other benefits, amenities and facilities as per the company rules.

The terms and conditions of the remuneration of the managing director, may be varied, altered, increased, enhanced or widened from time to time by the remuneration committee and the board as it may in its discretion deem fit within above limits and subject to limits laid down in sections 198, 309 and all other applicable provisions of the companies act, 1956 and rules framed there under and subject to the requisite approvals from central government or any other authority, if any, being obtained.

The resolution placed before the shareholders authorizes the board to execute the draft agreement with such modification or variations as it may think fit.

Where in any financial year the company has no profit or its profit is inadequate, remuneration payable to Mr. Priyam B. Mehta by way of salary or perquisites will be such salary and perquisites as approved by the central government which may be paid to him as the minimum remuneration. The draft agreement proposed to be entered into with Mr. Priyam B. Mehta, the chairman and managing director of the company is open for the inspection of the members between 11.00 a.m. to 1.00 p.m. on all working days at the registered office of the company.

**The relevant information as required by Notification No. GSR 36(E), Dated 16<sup>th</sup> January 2002 issued by the central government is given below:**

Sayaji Industries Limited is engaged in the manufacture and sale of starches, its by-products and its derivatives like liquid glucose, dextrose monohydrate, dextrose anhydrous, sorbitol etc. The company has been established more than seven decades back and has shown consistent growth from year to year.

**General Information :**

During the year under review, the company has achieved a



higher revenue from operation (gross) of Rs.50763.05 lacs as compared to Rs.39168.05 lacs in previous year. Though, there has been a steep increase in all input costs during the year under review, with better price realization of finished products, better product mix, improved technical parameters and application of stringent cost cutting measures, the company has been able to increase its margins at all levels. The operating profits of the company stands at Rs.2041.78 lacs as against Rs.1667.13 lacs in the previous year. The gross profit of the company was Rs.1254.18 lacs as against Rs.996.03 lacs in the previous year. During the year under review, the profit before tax of the company increased by 35% from Rs. 479.03 lacs to Rs.648.97 lacs and the net profit after tax increased by almost 130% from Rs.306.77 lacs to Rs.710.35 lacs as the company has written back the MAT credit of current year as well previous years. There has also been an increase in the export turnover of the company to Rs.11325.27 lacs as compared to Rs.10551.06 lacs in the previous year. The company is hopeful that the increased trend in turnover and exports would continue during the current year.

The company has been very consistent in payment of dividend to its shareholders. During the year under review, the directors have recommended a dividend of Rs. 115/- per equity share of the face value of Rs.100/-.

#### **Information about Mr. Priyam B. Mehta :**

Under the guidance and able management Mr. Priyam B. Mehta, the company has achieved commendable progress and it would therefore, be in the interest of the company to reappoint Mr. Priyam B. Mehta as the chairman and managing director of the company on the terms and conditions as mentioned above. During the year 2012-13, Mr. Priyam B. Mehta was paid a salary of Rs.21,12,000/- and other perquisites of Rs.12,19,000/-.

#### **Other information :**

The main raw material for the company is maize which is agri commodity and the price of the same varies depending on the availability and demand for the same which again is dependent on the rainfall in the country. There has been a substantial increase in the price of maize and other inputs in the recent past. The company has not been in a position to pass on the entire price increase of its inputs to its customers which has affected the margins of the company. However, with improved technical parameters, better product mix and stringent cost cutting measures the company has been able to improve its profitability in past few years. It is expected that the rain would be approx. 100% in the current year which will stabilize the price of maize and other inputs required by the company. The company would continue its efforts to further improve its technical parameters and also continue to apply stringent cost cutting measures which in turn may improve its profitability in the years to come.

Mr. Priyam B. Mehta, chairman and managing director is interested in the resolution as it concerns his appointment.

Mr. Varun P. Mehta and Mr. Vishal P. Mehta to whom Mr. Priyam B. Mehta is related may also be regarded as interested or concerned in the appointment of Mr. Priyam B. Mehta.

The above may also be treated as an abstract of the terms of contract pursuant to section 302 of the companies act, 1956.

#### **ITEM NO. 7**

The company had pursuant to the special resolution passed by the shareholders in the annual general meeting held on 22<sup>nd</sup> August, 2010 executed agreement dated 16<sup>th</sup> October, 2010 (hereinafter referred to as "the said agreement") with Mr. Varun P. Mehta for his appointment as the executive director of the company for the period of five years with effect from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2015. Pursuant to the said special resolution and in view of the notification No. GSR 36(E) dated 16<sup>th</sup> January, 2002 the remuneration to Mr. Varun P. Mehta as the executive director of the company was approved for the period of three years with effect from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2013 and the same has been mentioned in the said agreement. The salary paid to Mr. Varun P. Mehta has been increased from upto Rs. 2,50,000/- per month to upto Rs.3,00,000/- per month with effect from 26<sup>th</sup> July, 2011 and the same has been approved by the members of the company at the 70<sup>th</sup> annual general meeting held on 26<sup>th</sup> July, 2011.

It is now proposed to pay the same remuneration to Mr. Varun P. Mehta, the executive director for the remaining tenure of his appointment with effect from 16<sup>th</sup> January, 2013 to 15<sup>th</sup> January, 2015.

All other terms and conditions of the said agreement shall remain valid and unchanged.

These particulars also constitute the abstract of the terms of modification in said agreement entered into with Mr. Varun P. Mehta and required to be sent to every member of the company pursuant to Section 302 of the companies act, 1956.

Mr. Varun P. Mehta, the executive director is interested in the resolution as it concerns his remuneration. Mr. Priyam B. Mehta and Mr. Vishal P. Mehta to whom Mr. Varun P. Mehta is related may also be regarded as interested or concerned in the resolution.

#### **ITEM NO. 8**

This resolution relates to the reappointment of M/s L. G. & Doctor Associates Private Limited as the sole selling agents of the company for a period of 5 years with effect from 1<sup>st</sup> October, 2013 for the sale of products manufactured by the company, as their existing term of appointment as approved by the central government expires on 30<sup>th</sup> September, 2013.

The previous appointment of the sole selling agents was made pursuant to the consent of the shareholders by a

special resolution passed at the 67<sup>th</sup> annual general meeting of the shareholders of the company held on 22<sup>nd</sup> September, 2008 and approval of the central government was obtained vide its Letter dated 5<sup>th</sup> July, 2010.

The shareholders of the company are aware that there has been a substantial growth in the turnover of the company as a result of the persistent and untiring efforts on the part of the sole selling agents of the company; M/s L.G. & Doctor Associates Private Limited and the company has been able to strengthen its position as one of the market leaders despite of stiff competition and overall recessionary conditions in the Industry. The company has been in a position to maintain debtors at lower lever despite of increase in turnover due to consistent follow up by its sole selling agents.

Keeping in view the aforesaid facts and interest of the company, your directors have considered it appropriate to continue to avail valuable services rendered by the sole selling agents for a further period of five years and pay them a commission as mentioned in the draft agreement proposed to be entered into with the sole selling agents.

Other terms of the draft agreement proposed to be entered into with the sole selling agents are the same as approved earlier by the central government and the said draft agreement is open of the inspection of the members between 11.00 a.m. and 1.00 p.m. on all working days at the registered office of the company. The appointment of M/s L.G. & Doctor Associates Private Limited as the sole selling agents for a further period of five years w.e.f. 1<sup>th</sup> October, 2013 to 30<sup>th</sup> September, 2018 will be subject to approval of central government, if required.

The board of directors recommend the resolution for your approval.

None of the directors is concerned or interested in the resolution.

**By order of the Board of Directors**  
**Rajesh H. Shah**  
Company Secretary

Place : Ahmedabad  
Date : May 30, 2013

# DIRECTORS' REPORT

## TO THE SHAREHOLDERS,

Your directors have pleasure in presenting the 72<sup>nd</sup> annual report together with audited financial statements of the company for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS:

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Revenue from operations (Gross)	50763.05	39168.05
Operating profit before interest, depreciation and taxation	2041.78	1667.13
Less : Interest	787.60	671.10
<b>Gross profit</b>	1254.18	996.03
Less : Depreciation	605.21	517.00
<b>Profit before tax</b>	648.97	479.03
Less : Current taxation	130.00	77.01
Provision for deferred tax	140.62	95.25
MAT credit for current year	(56.40)	---
MAT credit for earlier years	(275.60) (61.38)	--- 172.26
<b>Net profit for the year</b>	710.35	306.77
Add : Balance brought forward from previous year	295.53	180.58
<b>Amount available for appropriation</b>	1005.88	487.35
<b>Appropriations :</b>		
Transfer to general reserve	200.00	100.00
Proposed dividend on equity shares	90.85	79.00
Tax on dividend	15.44 106.29	12.82 91.82
Balance carried forward to balance sheet	699.59	295.53
	1005.88	487.35

### YEAR IN RETROSPECT :

Your directors are pleased to report that during the year under review, the revenue from operations (gross) of your company has increased by 30% from Rs.39168.05 lacs to Rs.50763.05 lacs. There has been increase in the cost of almost all the inputs during the year under review. However, with better price realization of finished products, better product mix, improved technical parameters, reduction in power cost and application of stringent cost cutting measures, your company has been able to increase its profitability. The operating profit of the company is Rs.2041.78 lacs as against Rs.1667.13 lacs in the previous year. The gross profit of the company stands at Rs.1254.18 lacs as against Rs. 996.03 lacs in the previous year. During the year under review, the profit before tax of the company increased by 35% from Rs. 479.03 lacs to Rs. 648.97 lacs and the net profit after tax increased by almost 130% from Rs. 306.77 lacs to Rs.710.35 lacs as the

company has written back the MAT credit of current year as well as previous years.

Your company has also entered into an exclusive agreement with Yashwant Sahakari Glucose Karkhana Limited, located at Siddheshwar Nagar, Taluka Shirala, Dist. Sangli, Maharashtra since July 2012 whereby the starches, liquid glucose and other by-products manufactured by the said factory is purchased/dealt in by your company. This arrangement has resulted into substantial increase in the top line of the company and the company has been able to cater to the markets in western and southern India more effectively.

### FUTURE OUTLOOK :

The prices of all inputs including maize, lignite, chemicals, electricity, labour etc. during the current year is showing a sharp upward trend. Your directors are hopeful that the company would be able to further improve its profitability by better price realization of its products, change in the product mix, further improvement in technical efficiency and continued application of stringent cost cutting measures at all levels. With a better monsoon expected this year, the company is hopeful that there would be some stabilization in the price of maize during the current year which in turn may improve the operating margins.

Your directors are also hopeful that with stabilization of all technical parameters at the Yashwant Sahakari Glucose Karkhana Limited and stabilization in the prize of maize, the company would be able to further improve its top-line and operations in the years to come.

The company has continued its efforts to further increase its activity by introduction of new equipments and to concentrate on de-bottlenecking and automisation in the existing production processes. Efforts also continue to further improve the quality of the products and efficiency of the plants.

### DIVIDEND :

With satisfactory performance of the company during the year under review, your directors recommend dividend at the rate of Rs.115/- per equity share (previous year Rs.100/- per equity share) for the financial year ended 31<sup>st</sup> March, 2013, which if approved by the shareholders at the forthcoming annual general meeting will be paid to those members whose names appear on the register of members of the company on 7<sup>th</sup> August, 2013.

The total outflow on account of dividend will be Rs.106.29 lacs including dividend tax of Rs.15.44 lacs.



**TECHNICAL ASSISTANCE AGREEMENT WITH SIGMA MUHENDISLIK MAKINE SANAYI VE TICARET ATATURK MAHALLESİ, GIRNE CAD, ISTANBUL, TURKEY (SIGMA) :**

During the year under review, your company has entered into a new technical assistance agreement with SIGMA of Turkey with effect from February 6, 2013 for the period of three years.

**EXPORTS :**

Your directors are very happy and proud to report that there has been an increase in the export turnover of the company during the year under review and your company continues to be the largest exporter of starches and its derivative products in the starch industry. Export in quantitative terms increased by 3.34% during the year under review. The export turnover of the company increased to Rs.11325.28 lacs as against Rs.10551.06 lacs in the previous year which indicates an increase of 7.34%. The company intends to continue with its long term export oriented marketing policy by penetrating more in its existing international market and exploring new avenues for its high value products.

**MANAGEMENT DISCUSSION AND ANALYSIS :**

The management discussion and analysis report as required under clause 49 of the listing agreement with the Ahmedabad Stock Exchange has been attached and forms part of this directors' report.

**GREEN INITIATIVE :**

The company continues to contribute towards the green environment by generating electricity from the biogas procured while treating its effluents, which also results in saving of power cost.

**MARKETING :**

The company continues its thrust on aggressive marketing to be amongst the front runners in the starch industry. Due to extensive and effective efforts of the company's sole selling agents, M/s L. G. & Doctor Associates Private Limited, there has been an increase in the turnover of your company in quantitative terms and the company has been able to achieve better price realization for its products. It is heartening to note that despite of increase in the gross revenue from operations of the company by 30%, the total receivables at the end of the year increased only marginally and average credit period has been maintained as a result of the untiring efforts on the part of the sole selling agents.

The term of appointment of M/s L. G. & Doctor Associates Private Limited as the sole selling agents expires on 30<sup>th</sup> September, 2013. Considering the persistent untiring efforts of the sole selling agents to

find new markets, maintaining customers, exploring new avenues for the products of the company and follow up for the collection of dues, it is proposed to continue to avail valuable services rendered by the sole selling agents for the further period of five years subject to approval of shareholders by way of special resolution and approval of central government, if required.

**PUBLIC DEPOSITS :**

Deposits aggregating Rs. 8.62 lacs due for repayment on or before 31<sup>st</sup> March, 2013 were not claimed by the depositors on that date. As on the date of this report, from the aforesaid amount, deposits aggregating Rs.5.58 lacs have been claimed/paid/renewed. Your company continues to be one of the most sought after company amongst the investing community of this region investing in fixed deposits.

**INSURANCE :**

All the properties and insurable interests of the company including buildings, plant and machinery, stocks, loss of profit and standing charges and liabilities under legislative enactments are adequately insured.

**CORPORATE GOVERNANCE :**

Your company has complied with the requirements of corporate governance as required under clause 49 of the listing agreement entered into with the Ahmedabad Stock Exchange where the company's shares are listed. A separate report on corporate governance forms the part of the annual report. A certificate from the auditors regarding compliance of conditions of corporate governance forms the part of this report.

**DIRECTORS :**

The term of appointment of Mr. Priyam B. Mehta as the managing director of the company expires on 11<sup>th</sup> August, 2013. A special resolution is proposed for the reappointment and remuneration of Mr. Priyam B. Mehta as the managing director of the company for the period of 3 years from 12<sup>th</sup> August, 2013 till 11<sup>th</sup> August, 2016 for the approval of shareholders at the 72<sup>nd</sup> annual general meeting of the company subject to approval of the central government.

A special resolution has also been proposed for the approval of the shareholders for payment of remuneration to Mr. Varun P. Mehta for the remaining tenure of his office as the executive director of the company.

Pursuant to article 108 of the articles of association of the company read with section 256 of the companies act, 1956, Dr. Gaurang K. Dalal and Dr. Janak D. Desai, directors of the company are due to retire at this annual general meeting, but being eligible, have offered

themselves for reappointment.

**AUDITORS :**

shareholders are requested to reappoint the auditors for the current year and fix their remuneration at this annual general meeting.

**COST AUDITORS :**

Pursuant to section 233B of the companies act, 1956, your directors have appointed Dalwadi and Associates, Cost Accountants, Ahmedabad as the cost auditor of the company for the financial year ending on 31<sup>st</sup> March, 2014.

**STATUTORY INFORMATION :**

Particulars of employees as required in terms of section 217 (2A) of the companies act, 1956 read with companies (particulars of employees) rules, 1975 forms the part of this report. However, as per the provisions of section 219 (1) (b) (iv) of the companies act, 1956, the report is being sent to all shareholders of the company excluding the aforesaid information. Any shareholder interested in obtaining the particulars may obtain the same by writing to the company secretary of the company.

The information required under Section 217 (1) (e) of the companies act, 1956 read with the companies (disclosure of particulars in the report of board of directors) rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earning/outgo is appended hereto and forms part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

Pursuant to the provisions of sub-section (2AA) of section 217 of the companies act, 1956, your directors confirm that :

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

- (ii) The directors 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 as on 31<sup>st</sup> March, 2013 and of the profit of the company for that period.
- (iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) The directors have prepared the annual accounts on a "going concern" basis.

**APPRECIATION :**

Your directors express their deep sense of appreciation for the valuable and devoted services rendered by the chairman and managing director and the executive directors in the management and conduct of the affairs of the company. The directors also express their appreciation for the devoted services of the sole selling agents. Your directors also thank Punjab National Bank, the banker of the company for extending financial assistance by way of working capital facilities and term loans at competitive rates. Your directors also wish to place on record their deep sense of appreciation for the devoted services of the company's executives, staff, workers and all those concerned, directly and indirectly with the affairs of the company.

**For and on behalf of the Board of Directors**

**Priyam B. Mehta**

Chairman and  
Managing Director

Place : Ahmedabad  
Date : May 30, 2013

## ANNEXURE TO DIRECTORS' REPORT

Information under Section 217 (1) (e) of the companies act, 1956 read with the companies (disclosure of particulars in the report of board of directors) rules, 1988 and forming part of the directors' report for the year ended 31<sup>st</sup> March, 2013.

### A. Conservation of energy:

#### (a) Energy conservation measures taken:

The following energy conservation measures were taken in the manufacturing activity and every endeavor has been made to ensure the optimal use of energy and conserve energy as far as possible :

1. The company has made arrangement for internal recycling of water by installing collection tanks and pumps which has reduced consumption of water.
2. The company continues to educate and give in-house training to its shop floor personnel which has resulted in reduction of consumption of energy by maintaining process parameters.
3. The company has replaced some cooling towers and is in the process of revamping/ replacing some other cooling towers which will supply cooled water of desired temperature to improve the efficiency of evaporators.
4. The company has taken steps to improve the efficiency of power plant which has resulted in improvement of steam ratio and reduction of fuel consumption.

#### (b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

1. The company is continuing its efforts to reduce consumption of water by further recycling of water and generation of vapor condensate through surface condensates.
2. The company is in the process of revamping its existing bio-digesters which will improve the efficiency of effluent treatment plants and increase generation of biogas which will be utilized in pre-heating processes or for generation of electricity.
3. The company continues to install energy saving motors by replacing high voltage motors.

4. The company is planning to utilize more biogas available while treating the effluents of the manufacturing processes of the company and generate more electricity.

#### (c) Impact of measures taken:

As a result of the aforesaid efforts, there has been a saving of power during the year under review.

#### (d) Total energy consumption and energy consumption per unit of production are as under :

##### (A) Power and fuel consumption:

		2012-13	2011-12	
<b>1. Electricity</b>				
a) Purchased Units	000 Kwh	10684	11577	
Total amount	Rs. in lacs	725.81	686.87	
Rate/Unit	Rs.	6.79	5.93	
b) Own generation				
(i) Through steam turbine/generator units	000 Kwh	22989	23758	
(ii) Through gas engine / Generator units	000 Kwh	5181	5375	
(iii) Others	000 Kwh	1	2	
<b>2. Coal/Lignite/DoC</b>				
Quantity	000 tons	77	80	
Total cost	Rs.in lacs	2852.22	3050.38	
Average rate	Rs./Ton	3697	3793	
<b>3. Diesel Oil</b>				
Total amount	Rs. in lacs	1.15	1.05	
<b>(B) Consumption per unit of production.</b>				
		Standards	2012-13	2011-12
Electricity	Kwh	—	330	357
Diesel	Ltrs.	—	0.02	0.02
Coal	M.T.	—	0.66	0.70
Others		—	NIL	NIL

### B. Technology absorption :

#### Research and development (R & D) :

Efforts continue at all levels to improve operational efficiency and product upgradation to meet the requirements of domestic and international markets. No specific expenses can be earmarked for R & D as this is an ongoing process at the operational level.

#### Technology absorption, adaptation & innovation:

##### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

- a. As suggested by the expert technicians from abroad, the company has continued

acidification of starch slurry by conductivity in place of PHE in liquid glucose to improve quality of the product.

- b. The company has installed a highly sophisticated system to improve the quality of hydrol which can be sold in the market and generate more revenue for the company.

**2. Benefits derived as a result of the above efforts :**

The fine tuning and process modification has resulted in improvement of efficiency at all levels.

**3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:**

**(a) Technology imported:**

During the year under review, the company has entered into a technical assistance agreement with SIGMA Muhendislik Makine

Sanayi ve Ticaret Ataturk Mahallesi, Girne Cad Istanbul, Turkey. SIGMA will share its technical know-how and expertise in good faith for improvement of production efficiency of the plants of the company.

**(b) Year of import :** —

**(c) Has technology been fully absorbed :** —

**(d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action:** —

**c. Foreign exchange earnings and outgo:**

The above information in respect of foreign exchange earnings and outgo is set out in note no.23 (x) and 23(xi) to the notes forming part of financial statements.

# CORPORATE GOVERNANCE REPORT

## OVERVIEW OF CORPORATE GOVERNANCE AT A GLANCE

Sayaji Industries Limited believes in good corporate governance to achieve highest standard of transparency, integrity, accountability and good corporate practices which help all the stakeholders like shareholders, employees, creditors, lenders and society at large. The company has been prompt in discharging its statutory and social obligations. The board of directors supports the broad principles of corporate governance and is committed to align and direct the actions of the company to achieve the objectives of transparency, accountability and integrity.

At Sayaji, corporate governance has grown since 72 years with its journey of efficient industrial entrepreneurship. Company is in continued compliance with guideline of corporate governance since many years as stipulated in clause 49 of the listing agreement with the Ahmedabad Stock Exchange.

## BOARD OF DIRECTORS

### BOARD MEETINGS

The board of directors comprises eight directors out of which three are executive directors and five are non-executive directors. All non-executive directors are independent directors and are leading professionals from varied fields whose input bring in independent judgment to the discussions and deliberations in the board meetings. During the year 2012-13 four board meetings were held on 30.05.2012, 07.08.2012, 10.11.2012 and 14.02.2013.

### Composition and attendance of each director at the meeting of the board of directors and at the last AGM

The composition of the board of directors and their attendance at the meetings of board of directors during the year and at last annual general meeting are given below :

Name of the director	Category of directorship	No. of board meetings attended	No. of directorships held in other Indian public limited companies	No. of committees positions held in other Indian public limited companies	Attendance at the last AGM	Qualification shares held by non-executive directors
Mr. Priyam B. Mehta	Executive - Chairman & Managing Director	4	1	-	Yes	-

Name of the director	Category of directorship	No. of board meetings attended	No. of directorships held in other Indian public limited companies	No. of committees positions held in other Indian public limited companies	Attendance at the last AGM	Qualification shares held by non-executive directors
Mr. Varun P. Mehta	Executive - Executive Director	4	1	-	Yes	-
Mr. Vishal P. Mehta	Executive - Executive Director	4	-	-	Yes	-
CA Mahendra N. Shah	Non Executive -Independent Director	4	1	-	Yes	10
Mr. Vishvajit M. Mehta	Non Executive -Independent Director	3	-	-	Yes	10
Dr. Janak D. Desai	Non Executive -Independent Director	4	-	-	Yes	13
Dr. Gaurang K. Dalal	Non Executive -Independent Director	4	1	-	Yes	10
CA Chirag M. Shah	Non Executive -Independent Director	4	-	-	Yes	11

- None of the non-executive directors of the company have any pecuniary relationships or transactions with the company except holding qualification shares in the company.
- There is no compensation package except payment of sitting fees to the non- executive directors.
- The non-executive directors are accomplished professionals in their respective fields and provide valuable inputs at the discussions and deliberations at the meeting of board of directors. The details of directors seeking appointment / re-appointment at the ensuing annual general meeting as required under clause 49(IV) (G) of the listing agreement are given in the directors' report.
- There is no nominee director on the board as at 31<sup>st</sup> March, 2013.
- All the information required to be furnished to the board of directors was made available to them along with the detailed notes. This information includes minutes of meeting of audit committee, remuneration committee, investor grievance committee, information about recruitment of senior officers just below the board level, materially important litigations, show cause/ demand notices, prosecution and penalty, fatal or serious accidents or dangerous occurrences, material effluent or pollution problems if any, material default in financial obligations if any, sale of material nature of investments, sale of assets which are not in the normal course of business, details of joint venture, acquisition of companies or collaboration



agreement, details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, non compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividends etc.

#### AUDIT COMMITTEE

The company has formed the audit committee comprising of three independent directors and the chairman and managing director of the company. During the year four audit committee meetings were held on 30.05.2012, 07.08.2012, 10.11.2012 and 14.02.13.

The terms of reference and powers of audit committee are in compliance with the provisions of corporate governance under clause 49 of the listing agreement and section 292(A) of the companies act, 1956. The minutes of the audit committee meetings are circulated to board of directors of the company.

**The composition of audit committee and particulars of attendance at the audit committee meetings during the year under review are given below :**

Name of directors	Chairman/Member	Category of Directorship	No. of meetings attended
CA Chirag M. Shah	Chairman	Non-Executive – Independent	4
Mr. Vishvajit M. Mehta	Member	Non-Executive – Independent	3
Dr. Gaurang K. Dalal	Member	Non-Executive – Independent	4
Mr. Priyam B. Mehta	Member	Executive – Promoter	4

#### REMUNERATION COMMITTEE

The company has three whole time directors on the board whose appointment and remuneration has been fixed by the board of directors in terms of resolution passed by the shareholders in general meeting as per schedule XIII to the companies act, 1956. During the year, the board has reconstituted its remuneration committee which now comprises of CA Mahendra N. Shah – independent director as chairman, Dr. Janak D. Desai – independent director as member and CA Chirag M. Shah – independent director as member to decide / review the remuneration of managing director and executive directors of the company as per the provisions of the companies act, 1956.

During the year 2012-13, two meetings of remuneration committee were held on 30.05.2012 and 10.11.2012. Meeting held on 30.05.2012 was attended by all the members of the committee while meeting held on 10.11.2012 was attended by CA Mahendra N. Shah – independent director as chairman, Dr. Janak D. Desai - independent directors as member.

#### Details of remuneration paid to directors

(Rs. in lacs)

Name of director	Salary	Perquisites	Sitting fees for attending meeting of board of directors and committee meetings
Mr. Priyam B. Mehta	21.12	12.19	
Mr. Varun P. Mehta	19.50	5.25	
Mr. Vishal P. Mehta	16.00	4.79	
CA Mahendra N. Shah			0.90
Mr. Vishvajit M. Mehta			0.60
Dr. Janak D. Desai			0.70
Dr. Gaurang K. Dalal			1.00
CA Chirag M. Shah			0.80

#### INVESTORS GRIEVANCE COMMITTEE

The investor grievance committee has been formed by the company to oversee the share transfers and for taking care of investor grievances.

The members of company's investor grievance committee are CA Mahendra N. Shah- chairman, Dr. Gaurang K. Dalal- member, Mr. Varun P. Mehta- member and Mr. Vishal P. Mehta- member. The meetings of the investor grievance committee were held four times during the year on 30.05.2012, 07.08.2012, 10.11.2012 and 14.02.2013 which were attended by all the members of the committee.

Number of investor complaints received, solved and pending during the period from 1.4.2012 to 31.3.2013

Nature of complaints	Received	Solved	Pending
Transfer of shares	7	7	0
Query relating to NSDL/CDSL operations	0	0	0
Correction of names on securities	0	0	0
Non receipt of dividends	8	8	0
Others	2	2	0

#### SHARE TRANSFER COMMITTEE

The board of directors also constituted share transfer committee for transfer and transmission of shares. The whole time directors and company secretary are members of the said transfer committee. Mostly, every month there are two meetings and the shares are transferred to the transferees within stipulated period as mentioned in the listing agreement with the Ahmedabad Stock Exchange.

**GENERAL BODY MEETING**

**Location and time for the last three annual general meetings**

Year ended	Date	Time	Venue	No. of special resolutions passed
31 <sup>st</sup> March, 2012	7 <sup>th</sup> August, 2012	9.30 a.m.	Bhuriba Lallubhai Mehta Primary School, Kathwada, Maize Products, Ahmedabad	3
31 <sup>st</sup> March, 2011	26 <sup>th</sup> July, 2011	10.30 a.m.	Registered Office of the Company at P.O. Kathwada, Maize Products, Ahmedabad	2
31 <sup>st</sup> March, 2010	13 <sup>th</sup> August, 2010	9.30 a.m.	Registered Office of the Company at P.O. Kathwada, Maize Products, Ahmedabad	2

**DISCLOSURES**

**Disclosures on materially significant related party transactions**

The related party transactions entered during the year are disclosed in the note no. 23(xii) to notes forming part of financial statements in this annual report.

**Code of conduct**

The code of conduct for all board members and senior management of the company has been prescribed by the company. Certificate to that effect is attached to this report.

**Certification under clause 49V**

The chairman and managing director of the company has furnished the requisite certificate to the board of directors under clause 49V of the listing agreement.

**Cases of non-compliance/ penalties**

There are no non-compliances by the company on any matter related to the capital markets during the last three years. Similarly, there are no penalties or strictures imposed on the company by the stock exchange, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

**MEANS OF COMMUNICATION**

The company normally publishes the quarterly and annual results in leading english & gujarati dailies.

The company has its own web-site [www.maizeproducts.com](http://www.maizeproducts.com) on which the quarterly results are displayed.

The management discussion and analysis report is attached to the directors' report and forms part of the annual report.

**GENERAL SHAREHOLDER INFORMATION**

**Annual general meeting**

**Day and date** : Wednesday, 14<sup>th</sup> August, 2013  
Time : 10.30 a.m.

**Venue** : Bhuriba Lallubhai Mehta Primary School, Kathwada – Maize Products, Ahmedabad-382 430

**Financial calendar (tentative)**

**Financial year** : April-March

**First quarter results** : 2<sup>nd</sup> week of August, 2013

**Half Yearly results** : 2<sup>nd</sup> week of November, 2013

**Third quarter results** : 2<sup>nd</sup> week of February, 2014

**Fourth quarter** : 2<sup>nd</sup> week/end of May, 2014

**/ Annual results**

**Book closure date** : Wednesday, 7<sup>th</sup> August, 2013 to wednesday, 14<sup>th</sup> August, 2013 (both days inclusive)

**Dividend payment date** : 24<sup>th</sup> August, 2013

**Listing in Stock Exchange(s)** : Your company's shares are listed at Ahmedabad Stock Exchange

**Notes regarding payment of annual listing fees** : The annual listing fees for the year 2013-14 has been already paid by the company.

**Stock code at Ahmedabad Stock Exchange** : SAYAJIINDU / 52210

**ISIN with NSDL and CDSL** : INE327G01016

**Market Price data and stock performance**

The equity shares of the company are listed only at Ahmedabad Stock Exchange. There is no trading in the equity shares of the company at Ahmedabad Stock since last more than a decade. The data of market price and stock performance is therefore not given.

**Compliance Officer**

Rajesh H. Shah  
Company Secretary &  
Sr. Executive Vice President  
Sayaji Industries Limited  
P.O. Kathwada, Maize Products,  
Ahmedabad-382430.  
Phone : +91(79) 22901581-85  
Fax : +91(79) 22902424  
e-mail : [rhs@maizeproducts.com](mailto:rhs@maizeproducts.com)

**Registrar and transfer agents**

Karvy Computershare Private Limited  
Plot No.17-24 Vittalrao Nagar,  
Madhapur,  
Hyderabad-500081.  
Phone No : +91(40) 23420818  
e-mail : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

## Share transfer system

Since the company's shares are traded in the demat segment on stock exchange, bulk of the transfer takes place in the electronic form. The transfer of physical shares are handled by Karvy Computershare Private Limited at the address as mentioned above.

## Distribution of shareholding as on 31<sup>st</sup> March, 2013

Sr. No.	Category	No. of shares held	% of total shareholding
1	Promoters	59241	74.99
2	Mutual Fund	0	0.00
3	Banks, Financial Institutions, Insurance Companies	14	0.02
4	Foreign Institutional Investors	0	0.00
5	Private Bodies Corporate	19	0.02
6	Indian Public	19726	24.97
7	NRIs/ OCBs	0	0.00
8	GDR/ ADR	0	0.00
	<b>Grand Total</b>	<b>79000</b>	<b>100.00</b>

## Distribution of shareholding as on 31<sup>st</sup> March, 2013

No. of equity shares	No. of folios	% of total folios	No. of shares	% of total shareholding
Less than 50	4503	99.01	14971	18.95
51 to 100	16	0.35	1067	1.35
101 to 200	6	0.13	798	1.01
201 to 300	2	0.04	522	0.66
301 to 400	4	0.09	1466	1.86
401 to 500	1	0.02	435	0.55
501 to 1000	3	0.07	2378	3.01
More than 1000	13	0.29	57363	72.61
<b>Total</b>	<b>4548</b>	<b>100.00</b>	<b>79000</b>	<b>100.00</b>

## Dematerialization of shares and liquidity

The company's equity shares are available for dematerialization on both National Securities Depository Limited and Central Depository Services (India) Limited. Equity shares of the company are traded in demat form on stock exchange. 22713 equity shares being 28.75% of the capital have been dematerialized by investors and bulk of transfer takes place in the demat form.

## Outstanding GDRs/ADRs/warrants or any convertible instruments and conversion rate and likely impact on equity : Nil

## Plant location

P.O. Kathwada,  
Maize Products,  
Ahmedabad - 382 430.

## Address for correspondence

Shareholders may correspond with the company at its registered office at

The Secretarial Department  
Sayaji Industries Limited  
P.O. Kathwada, Maize Products,  
Ahmedabad - 382430.

**CERTIFICATE****Compliance of conditions of corporate governance**

To,  
The shareholders of Sayaji Industries Limited,  
Ahmedabad

We have examined the compliance of the conditions of corporate governance by Sayaji Industries Limited ('the company') for the year ended March 31, 2013 as stipulated in clause 49 of the listing agreement of the company with the stock exchange in india.

The compliance of conditions of the corporate governance is the responsibility of the management. Our examination has been limited to review of the procedures 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 the opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us and based on the representations made by the directors and the management, we certify that the company has complied with the conditions of the corporate governance as stipulated in clause 49 of the above mentioned listing agreement.

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

For, Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No 117365W)

**(Gaurav J. Shah)**  
**Partner**

Place: Ahmedabad  
Date: May 30, 2013

Membership No. 35701

**Declaration by the managing director**

To  
The shareholders  
Sayaji Industries Limited, Ahmedabad

Declaration by the chairman & managing director under clause 49 of the listing agreement

I, Priyam B. Mehta, chairman and managing director of Sayaji Industries Limited declare that to the best of my knowledge and belief, all the shareholders of the board of directors and senior management personnel have affirmed compliance with code of conduct for the year ended 31<sup>st</sup> March, 2013.

**Priyam B. Mehta**  
Chairman & Managing Director

Place: Ahmedabad,  
Date: May 30, 2013

**CEO/CFO CERTIFICATE**

To  
The Board of Directors  
Sayaji Industries Limited  
Ahmedabad

**CERTIFICATE**

We have reviewed the financial results and the cash flow statement of Sayaji Industries Limited for the financial year ended 31<sup>st</sup> March, 2013 and certify that

- (a) This results and statements, to the best of our knowledge and belief :
- (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and audit committee, deficiencies in the design or the operation of internal controls of which we are aware, and the steps taken and proposed to be taken to rectify this deficiency;
- (d) We have also indicated to the auditors and to the audit committee :
- (i) significant changes in the internal controls with respect to the financial reporting 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) to the best of our knowledge and belief, there are no instance of fraud involving either the management or employee having a significant role in the company's internal control systems with respect to financial reporting.

**N J Deora**  
Sr. Executive V. P.  
(Accounts)

**Priyam B. Mehta**  
Chairman & Managing Director

Place: Ahmedabad,  
Date: May 30, 2013

# MANAGEMENT DISCUSSION AND ANALYSIS

## INDIAN ECONOMY

As per United Nations Report, Indian economy is expected to grow at 6.4% rate in 2013, outpacing the 6% expansion in developing Asia-Pacific economies in the same period.

India is expected to recover from its relatively low 5% growth in 2012 to 6.4% in 2013. As projected by minister's economic advisory council - chairman C Rangarajan, India's economic growth in 2013-14 will be better than 2012-13, but will be lower than the pre-crisis level and India need to organize itself to go back to pre-crisis level growth rate of 9%.

While talking about India's current account deficit which has touched a record high of 6.7%, Mr. C Rangarajan said that he believes that macroeconomic stability is necessary pre-condition for faster economic growth. He also believes that falling prices in the commodities like gold, crude oils and other commodities would be beneficial to India. World Bank also said in its report that India is regaining economic momentum and growth is expected to recover to its high long-term potential in the times to come. Recent structural reforms like the cabinet committee on investments (CCI), decontrol of sugar and oil, FDI in Retail and other measures have helped in improving the general investment mood in the country. The Chairman ADB believes that if India can get its investment story right and manage to get a political consensus on reform measures like GST, it has the potential to grow at 8-9% annually.

## STARCH INDUSTRY – AN OVERVIEW

### GLOBAL STARCH MARKET

Global starch consumption is projected to reach 133.5 million metric tons by the year 2018, driven primarily by the diversity and sheer number of end-use applications in both food and non-food industries, according to a new report from market researcher global industry analysts, inc. (GIA).

According to " Starch: A global strategic business report" economic recovery, rise in per capita consumption, and growing demand for starch products from developing nations translates into a bright outlook for the sector. Starch end-use applications have grown in number over the years, and now include diverse applications ranging from food

and beverages to medicine, cosmetics, pharmaceuticals and more.

Growing consumption of liquid starches and modified starches has been one of the key reasons behind the quick recovery of the market post recession. With the global economy gradually improving and resulting in an increased intake of processed and convenience foods, the market for modified starch, which finds substantial usage in these food applications, is finding increased demand, thereby driving the overall market at a CAGR of more than 7% till 2018.

According to the report, the United States is the largest supplier of starch in the world, followed by China. Recent growth in the global starch market has been particularly driven by developing markets in Asia-Pacific. In fact, the sector, which includes China, India, Thailand, South Korea and Philippines, is slated to have a CAGR of 9% till 2018.

### INDIAN STARCH SCENARIO

Over the past five years, production of maize has only risen by 0.9%, against which consumption grew by 1.7%. In 2013-14, however, production is expected to shoot up by 10.3% and consumption by 6.2%. Spot prices of maize have fallen from their peak of Rs 15,770 a MT on the MCX in August 2012 and is expected to stabilize with good monsoon expected this year. Maize is the third-largest agricultural crop in India, accounting for over 50% of total kharif coarse cereal production. Production of maize has grown at a CAGR of 4.9% over the past decade and amounted to 21.5 MT in 2011-12. In contrast, consumption of maize has grown at a CAGR of 3.28% and stood at 18-18.5 MT last fiscal. Around 50% of total consumption is used for feed, primarily poultry feed, while around 5-10% is used by the starch industry. The weather will play an important role in determining the extent of maize production and price of the same in 2013-14.

Indian corn starch market is forecasted to double in the next four years. The utilization of corn starch in wide array of industries and new food consumption habits are the major drivers of the market. The end user industries such as paper, textile, pharmaceuticals and confectionery are witnessing positive growth rate, thus increasing demand for corn starch in the country. India currently has more than 5,000 tons per day (TPD) of wet milling processing capacity spread across the country. Combined revenue of major corn starch companies have grown at a rapid pace in last five years. The growth potential for corn starch is tremendous in the country with current starch consumption per capita way below global average.

The Indian organized starch industry has an estimated size of around Rs.4000 crores. The industry is at a



nascent stage comprising around 40 starch and derivative products from corn as against international market which comprises more than 800 such products. Thus there is a huge scope of increase in demand in the coming years. During the period 2005-10, the Indian starch industry grew at a CAGR of 21% and is expected to grow at 15% p.a. in the coming years. The size of the starch industry in India is negligible as compared to international market. The profit of the industry also fluctuate from year to year due to erratic availability of the basic raw material- corn being an agri-product and depends on natural vagaries.

## **OPPORTUNITIES AND THREATS**

### **OPPORTUNITIES**

Per capita consumption of starch in India is very less at approx. 2 kg as compared to global average of around 6 kg and US average of 65 kgs. There is also a huge scope of increase in starch and derivative products in India, where just 40 starch and derivative products are produced as against approx. 800 such products globally. All this augurs well for the starch industry in India and Sayaji Industries Limited which is one of the largest players in the Industry with diversified product portfolio is expected to gain from this growth of demand.

### **THREATS/ RISKS**

#### **Risk relating to increased competition in Starch Industry.**

There has been a huge capacity addition by major players in the starch industry which has led to fierce competition in the industry. Added to this, the price of maize and all other input costs have gone up substantially, which may affect the margins of the industry.

#### **Risk mitigation**

To ensure safety and prosperity of the business, the company has identified and minimized the risks associated with its business.

The growth of starch industry depends on growth of sectors like textile, pharmaceuticals, paper, paints, food, confectionery, FMCG etc. All these sectors are growing at a health rate and this has helped all the players in the starch industry to grow at a healthy rate. The company has been able to pass on some portion of increased input costs to its client. The company is the largest exporter in the industry and approx. 24% of the products of the company are exported. This concentration in the export market has helped the company to get good prices for its products. The company also puts more efforts on the products with a better margin and tries to cut costs at all levels by applying stringent cost cutting measures.

#### **Risk relating to decrease in demand**

#### **Risk mitigation**

The product portfolio of the company is diversified and the products are supplied to various industries ranging from textile, FMCG, food, paper, paints, pharmaceuticals, confectionery etc. If there is a slowdown in some industry, the company concentrates on the sectors which are growing and supplies to such industries. In addition to above paper, paints, leather, FMCG Products are expected to register good growth with the growth of Indian economy.

#### **Risk relating to scarcity/ quality of raw materials**

#### **Risk mitigation**

The major raw material of the company is maize. The company has since many years established a very efficient maize procurement policy to ensure availability of quality maize at competitive price. The company also has storing arrangement in and around its plant to ensure that sufficient stock of raw materials is maintained and there is no disruption in the production. For other important input being power, the company has its own power generating turbine wherein the power is produced at a comparatively lower rate. The company is planning to generate more power from biogas produced while treating its effluents which makes available green energy at a very low cost.

#### **Geographic presence is required for growth**

#### **Risk mitigation**

Though the company is located at a far distance from the maize growing area, it is near to the industries which utilizes the products of the company. Thus the disadvantage is mitigated by being near to the markets which utilizes the products of the company. In addition to above the company has also entered into an exclusive agreement with Yashwant Sahakari Glucose Karkhana Limited, located at Siddheshwar Nagar, Taluka Shirala, Dist. Sangli, Maharashtra since July 2012 which is a maize growing area. The company has also been able to cater to western and southern market more effectively due to this.

#### **Change in environment regulations**

#### **Risk mitigation**

The company has its own state-of-the-art facilities to treat the effluents generated from its manufacturing processes. It has taken all the required measures to ensure that emissions are within the statutory limits prescribed by the pollution control authorities. As indicated above, the company is planning to generate more electricity from the biogas generated while treating its effluents in bio digesters.

## BUSINESS OUTLOOK

The company continues to remain one of the market leaders in the starch industry. The products of the company are very well accepted in local and international markets due to its quality and applications. There has been continuous increase in the maize grinding activity of the company. Your company has also entered into an exclusive agreement with Yashwant Sahakari Glucose Karkhana Limited, located at Siddheshwar Nagar, Taluka Shirala, Dist. Sangli, Maharashtra since July 2012 whereby the starches, liquid glucose and other by-products manufactured by the said factory is purchased/dealt in by your company. This arrangement has resulted into substantial increase in the turnover of the company and the company has been able to cater to the markets in western and southern India more effectively.

There has also been further improvement in the technical parameters of the company. This coupled with better realization of the products of the company has resulted in the higher turnover by 30% during the year 2012-13 as compared to previous year. Despite of consistent rise in the cost of maize and other inputs, the company has been able to improve its profitability due to stringent cost cutting measures, debottlenecking, automisation and diversified product portfolio. The operating Profits of the company is Rs.2041.78 lacs as against Rs.1667.13 lacs in the previous year. The gross profit of the company is Rs.1254.18 lacs as against Rs.996.03 lacs in the previous year and the net profit of the company is Rs.710.35 lacs as against Rs.306.77 lacs in the previous year as the company has written back the MAT credit of current year as well as previous years.

Exports during the year has increased to Rs.113 Crores during the year 2012-13 as against Rs.105 Crores in the previous year. The company is the largest exporter of starches and its derivatives in India. This is possible due to quality of the products of the company and its ability to adhere to the delivery requirements of its international clientele at competitive rates. The company has received ISO 9001:2008 which certifies the quality standards of the products and processes which the company adopts to manufacture its products. The efforts have been put to enlarge the product portfolio of the company by including the high value products to ensure that the bottom line is improved. Efforts are also on to further improve the technical efficiency of the company with the help of the consultants and experts in the field. The company has been able to establish its name in the industry and boost of reputed clients like Colgate, Hindustan Unilever, Asian Paints, ITC, Berger Paints, West Coast Papers, Zydus Cadila, Torrent etc. to name a few.

With all the efforts as aforesaid, it is expected that the operating efficiency of the company may further improve resulting into enhanced top line and bottom line in the years to come.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has appointed two internal auditors and has an effective internal control system commensurate with its size and nature of business to ensure that all the transactions are properly executed and recorded. The systems are also reviewed by the management and statutory auditors of the company to ensure efficiency and transparency in the operations of the company. The system is also in place to ensure that all applicable statutory and legal formalities are complied with by the company.

## COMPANY PERFORMANCE AND ANALYSIS

- Net sales of the company has increased in terms of both quantity and value as compared to previous year.
- Export of the company has been Rs.113 Crores during the year under review.
- Profitability of the company has increased despite of increase in the cost of raw materials and other inputs due to stringent cost cutting measures and increased productivity from debottlenecking.
- Despite of 30% increase in the turnover of the company the credit period has been maintained to 29 days due to efforts on the part of sole selling agents of the company.
- The company enjoys highest reputation with its bankers for many years which has enabled it to borrow at a comparatively lower costs.
- EPS of the company works out to Rs. 899.18.

## INDUSTRIAL RELATIONS

Industrial relations remain cordial. The company organizes regular training programs for the workers and executives to ensure that their efficiency remains high and motivation increases. The company provides ample opportunity to its employees to sharpen their skills by organizing visits of experts in its plant and by visiting the factories of collaborators. The company has been able to retain its employees for years and has ensured that they also grow with the growth of the company.

# AUDITORS' REPORT

**TO  
THE SHAREHOLDERS OF  
SAYAJI INDUSTRIES LIMITED**

## Report on the financial statements

We have audited the accompanying financial statements of **SAYAJI INDUSTRIES LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March, 2013, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's responsibility for the financial statements

The company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting standards referred to in section 211(3C) of the companies act, 1956 ("the act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- (a) in the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March, 2013;
- (b) in the case of the statement of profit and loss, of the profit of the company for the year ended on that date; and
- (c) in the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

## Report on other legal and regulatory requirements

1. As required by the companies (auditor's report) order, 2003 ("the order") issued by the central government in terms of section 227(4A) of the act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by section 227(3) of the act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books
  - (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the balance sheet, the statement of profit and loss, and the cash flow statement comply with the accounting standards referred to in section 211(3C) of the act.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2013 taken on record by the board of directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2013 from being appointed as a director in terms of section 274(1)(g) of the act.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No 117365W)

**Gaurav J. Shah**  
Partner  
(Membership No. 35701)

Place: Ahmedabad  
Date: May 30, 2013

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'report on other legal and regulatory requirements' section of our report of even date)

- (i) Having regard to the nature of the company's business/activities, clauses (xiii) and (xiv) of caro are not applicable.
  - (ii) In respect of its fixed assets:
    - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
    - (b) The fixed assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
    - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion, not affected the going concern status of the company.
  - (iii) In respect of its inventory:
    - (a) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
    - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
    - (c) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
  - (iv) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956. Under the circumstances, provisions of clause (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the order are not applicable to the company.
- In respect of loans, secured or unsecured, taken by the company from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956, according to the information and explanations given to us:
- (a) The company has taken loans from three companies during the year. At the year-end, the outstanding balance of such loans taken aggregated Rs.868.50 lacs and the maximum amount involved during the year was Rs.968.50 lacs.
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the company.
  - (c) The company is regular in repaying the principal amounts, wherever stipulated and has been regular in the payment of interest.
- (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
  - (vi) In respect of contracts or arrangements entered in the register maintained in pursuance of section 301 of the companies act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
    - (a) The particulars of contracts or arrangements referred to section 301 that needed to be entered in the register maintained under the said section have been so entered.
    - (b) Where each of such transaction is in excess of Rs.5 lacs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
  - (vii) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the companies act, 1956 and the companies (acceptance of deposits) rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the company law board or the national company law tribunal or the



reserve bank of india or any court or any other tribunal.

- (viii) In our opinion, the internal audit functions carried out during the year by two firms of chartered accountants appointed by the management. On the basis of reports made by the internal auditors to the management, the internal audit system is commensurate with the size of the company and the nature of its business.
- (ix) We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central government for the maintenance of cost records under section 209(1) (d) of the companies act, 1956 in respect of bulk drugs (i.e. anhydrous dextrose) and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the central government has not prescribed the maintenance of cost records for any other product of the company.
- (x) According to the information and explanations given to us in respect of statutory dues:
  - (a) The company has generally been regular in depositing undisputed dues, including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of income-tax, wealth tax, custom duty, excise duty, cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2013 for a period of more than six months from the date they became payable.
  - (c) Details of dues of income-tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess which have not been deposited as on 31<sup>st</sup> March, 2013 on account of disputes are given below:

Name of the statute	Nature of dues	Year	Amount (Rs. in lacs)	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	F.Y. 2009-10	2.20	The Commissioner of Appeals (Ahmedabad)

- (xi) The company has no accumulated losses at the end of the financial year and it has not incurred any

cash losses in the financial year under report and in the immediately preceding financial year.

- (xii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the repayment of dues to banks. The company has not issued any debentures.
- (xiii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the balance sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xvii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the companies act, 1956.
- (xviii) During the year, no debentures have been issued by the company and hence the question of creating securities in respect thereof does not arise.
- (xix) During the year, the company has not raised money by way of public issue.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company has been noticed or reported during the year.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No.117365W)

**Gaurav J. Shah**  
Partner  
(Membership No. 35701)

Place : Ahmedabad,  
Date : May 30, 2013





# SAYAJI INDUSTRIES LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013

	Note No.	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	79.00	79.00
(b) Reserves & Surplus	3	3,346.62	2,742.56
		<u>3,425.62</u>	<u>2,821.56</u>
<b>2 NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	3,116.66	2,630.40
(b) Deferred Tax Liabilities (Net)	23.vii	992.26	851.64
(c) Long Term Provisions	5	216.75	290.45
		<u>4,325.67</u>	<u>3,772.49</u>
<b>3 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	3,069.57	2,712.66
(b) Trade Payables	7	6,846.17	5,533.53
(c) Other Current Liabilities	8	1,322.19	865.80
(d) Short Term Provisions	9	692.68	579.55
		<u>11,930.61</u>	<u>9,691.54</u>
<b>TOTAL</b>		<u><u>19,681.90</u></u>	<u><u>16,285.59</u></u>
<b>B ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	8,326.83	8,205.91
(ii) Capital Work-In-Progress		326.43	137.31
		<u>8,653.26</u>	<u>8,343.22</u>
(b) Non Current Investments	11	151.39	151.39
(c) Long Term Loans and Advances	12	171.25	233.18
		<u>8,975.90</u>	<u>8,727.79</u>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	13	4,686.69	4,072.28
(b) Trade Receivables	14	3,975.48	3,032.59
(c) Cash and Cash Equivalents	15	99.09	111.49
(d) Short Term Loans and Advances	16	1,944.74	341.44
		<u>10,706.00</u>	<u>7,557.80</u>
<b>TOTAL</b>		<u><u>19,681.90</u></u>	<u><u>16,285.59</u></u>

Notes Forming Part of the Financial Statements

1 to 23

As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

**Priyam B. Mehta**  
Chairman & Managing Director

**CA Mahendra N. Shah**  
Director

**Dr. J. D. Desai**  
Director

**N. J. Deora**  
Sr. Executive V. P. (Accounts)

**Varun P. Mehta**  
Executive Director

**V. M. Mehta**  
Director

**CA Chirag M. Shah**  
Director

**Rajesh H. Shah**  
Company Secretary

**Vishal P. Mehta**  
Executive Director

**Dr. G.K. Dalal**  
Director

Place : Ahmedabad  
Date : May 30, 2013

Place : Ahmedabad  
Date : May 30, 2013

# SAYAJI INDUSTRIES LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

	Note No.	For the year 31.03.2013 ₹ in Lacs	For the year 31.03.2012 ₹ in Lacs
<b>INCOME</b>			
1	17	50,763.05	39,168.05
		Less: Excise Duty & VAT	2,651.82
		Revenue from Operations (Net)	36,516.23
2	18	29.97	70.29
3		<b>Total Revenue</b>	<b>36,586.52</b>
<b>4 EXPENDITURE</b>			
	19.a	25,977.69	22,135.74
	19.b	5,854.25	66.39
	19.c	(314.67)	(210.91)
	20	2,570.86	2,406.43
	21	787.60	671.10
	10	605.21	517.00
	22	11,273.44	10,521.74
5		<b>Total Expenses</b>	<b>36,107.49</b>
6		<b>Profit Before Tax</b>	<b>479.03</b>
<b>7 Tax Expense:</b>			
		130.00	92.50
		(56.40)	–
		73.60	92.50
		(275.60)	–
		–	(15.49)
		140.62	95.25
		(61.38)	172.26
8		<b>Profit After Tax</b>	<b>306.77</b>
<b>9 Earnings Per Share (of ₹ 100/- each)</b>			
	23.xiii	899.18	388.32
		899.18	388.32
	1 to 23		

As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

**Priyam B. Mehta**  
Chairman & Managing Director

**CA Mahendra N. Shah**  
Director

**Dr. J. D. Desai**  
Director

**N. J. Deora**  
Sr. Executive V. P. (Accounts)

**Varun P. Mehta**  
Executive Director

**V. M. Mehta**  
Director

**CA Chirag M. Shah**  
Director

**Rajesh H. Shah**  
Company Secretary

**Vishal P. Mehta**  
Executive Director

**Dr. G.K. Dalal**  
Director

Place : Ahmedabad  
Date : May 30, 2013

Place : Ahmedabad  
Date : May 30, 2013



# SAYAJI INDUSTRIES LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

	Year ended 31 <sup>st</sup> March, 2013		Year ended 31 <sup>st</sup> March, 2012	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		648.97		479.03
<b>Adjustments for:</b>				
Depreciation	605.21		517.00	
Interest Expenses	787.60		671.10	
Dividend	(24.13)		(24.13)	
(Profit)/Loss on sale of Fixed Assets	15.32		(36.18)	
(Profit) on Sale of Investment	—		(0.09)	
		<u>1,384.00</u>		<u>1127.70</u>
Operating profit before working capital changes		<u>2,032.97</u>		<u>1606.73</u>
<b>Adjustments for :</b>				
Trade and Other Receivables	(2,177.72)		(380.41)	
Inventories	(614.41)		(895.79)	
Trade Payables	1,515.61		1416.74	
		<u>(1,276.52)</u>		<u>140.54</u>
Cash Generated From Operations		<u>756.45</u>		<u>1747.27</u>
Taxes paid		<u>(104.54)</u>		<u>(119.79)</u>
<b>Net Cash From Operating Activities</b>		<u>651.91</u>		<u>1627.48</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(977.67)		(1194.17)	
Sale of Fixed Assets	47.10		36.20	
Sale of Investments	—		6.52	
Purchase of Investments	—		(6.52)	
Dividend Received	24.13		24.13	
<b>Net Cash From Investing Activities</b>		<u>(906.44)</u>		<u>(1133.84)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings	1,121.55		288.69	
Interest Paid (Net of interest received - ₹ 3.55 Lacs) (Previous Year - ₹ 6.52 Lacs)	(787.60)		(671.10)	
Dividend & Tax thereon paid	(91.82)		(92.12)	
<b>Net Cash Generated in Financing Activities</b>		<u>242.13</u>		<u>(474.53)</u>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>		<u>(12.40)</u>		<u>19.11</u>
Add: Cash and Cash Equivalents at the beginning of the year		111.49		92.38
<b>Cash and Cash Equivalents at the end of the year</b>		<u>99.09</u>		<u>111.49</u>

### Notes:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by The Institute of Chartered Accountants of India.
- Cash and Cash Equivalents include deposits with banks of ₹ 8.95 Lacs (Previous Year ₹ 7.70 Lacs) and unpaid dividend accounts with banks of ₹ 15.33 Lacs (Previous Year ₹ 13.57 Lacs), which is not available for immediate use.

As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

**Priyam B. Mehta**  
Chairman & Managing Director

**CA Mahendra N. Shah**  
Director

**Dr. J. D. Desai**  
Director

**N. J. Deora**  
Sr. Executive V. P. (Accounts)

**Varun P. Mehta**  
Executive Director

**V. M. Mehta**  
Director

**CA Chirag M. Shah**  
Director

**Rajesh H. Shah**  
Company Secretary

**Vishal P. Mehta**  
Executive Director

**Dr. G.K. Dalal**  
Director

Place : Ahmedabad  
Date : May 30, 2013

Place : Ahmedabad  
Date : May 30, 2013

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

#### i Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, as adopted consistently by the Company.

#### ii Use of Estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known/materialised.

#### iii Fixed Assets:

Fixed Assets are stated at cost (Net of Taxes) of acquisition or construction. Cost includes all costs incurred to bring the assets to their present condition and location. They are stated at historical cost less accumulated depreciation.

Capital assets under erection/installation are reflected in the Balance Sheet as "Capital work-In-Progress".

#### iv Leased Assets:

In case of operating leases, rentals are expensed with reference to lease terms and other considerations. The aggregate lease rentals payable are charged as Rent in the Statement of Profit and Loss. The leasing arrangements which are not non cancellable are for period of eleven months or longer.

#### v Depreciation:

Depreciation on all fixed assets is provided on Straight Line Method as per Section 205(2)(b) of the Companies Act, 1956, at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

Depreciation on fixed assets purchased/acquired during the year is provided on pro-rata basis according to the period of each asset was put to use during the year. Similarly, depreciation on assets sold/discarded/demolished during the year is provided on pro-rata basis.

#### vi Impairment:

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognised whenever the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the greater of the net realizable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

#### vii Investments:

Long Term Investments are stated at cost. Provision for diminution in value is made, if permanent.

#### viii Inventories:

Stores, Spares, Chemicals and Packing materials are valued at weighted average cost or net realisable value whichever is lower.

Raw materials and Coal are valued at cost (FIFO basis) or net realisable value whichever is lower.

Finished Goods and Process Stock are valued at cost or net realisable value whichever is lower. Cost thereof is determined on absorption costing method.

By products are valued at net realisable value.

#### ix Employee Benefits:

##### a) Defined Contribution Plan.

The Company's contributions paid/payable for the year to Provident Fund and Superannuation Fund are recognized in the Statement of Profit and Loss.

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### b) Defined Benefit Plan

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognized on a straight-line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the balance sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### x Borrowing Cost:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### xi Revenue Recognition:

- (a) Revenue from Sales is accounted on dispatch. Sales are net of discounts and returns. Excise Duty and VAT collected on Sales are shown by way of further deductions from Sales.
- (b) Dividend Income is accounted when right to receive the dividend is established.
- (c) Revenue in respect of Other Income is recognised when a reasonable certainty as to its realisation exists.

### xii Foreign Currency Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing at the time the transactions are effected.

Any income or expense on account of exchange rate difference either on settlement or on translation is recognized in the Statement of Profit and Loss for the period in which the difference takes place.

At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange.

In cases of items which are covered by forward exchange contracts, the differences between the year end rates and rate on the date of contract is recognised as exchange difference and the premium paid on forward contract is recognised over the life of contract.

Non monetary foreign currency items are carried at historical cost.

### xiii Taxes on Income:

Income tax expense for the year comprises of current tax, deferred tax. Current tax provision is determined on the basis of reliefs, deductions etc. available under the Income Tax Act. Deferred Tax is recognised for all timing differences between book and taxable profit, subject to the consideration of prudence, applying the tax rates that have been enacted or substantively enacted as on the Balance Sheet date.

In Pursuance to Guidance Note on MAT Credit Entitlement issued by The Institute of Chartered Accountants of India, the Company has accounted for MAT Credit Entitlement considering the virtual certainty and probability of reversal of MAT Credit and the same has been disclosed under the head "Short Term Loans & Advances."

### xiv Provision, Contingent Liabilities and Contingent Assets:

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



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### Note 2 : SHARE CAPITAL

	As at 31.03.2013		As at 31.03.2012	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
<b>(a) Authorised</b>				
Equity Shares of ₹ 100/- each with voting rights	200,000	200.00	200,000	200.00
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity Shares of ₹ 100/- each with voting rights	79,000	79.00	79,000	79.00
<b>Total</b>		<b>79.00</b>		<b>79.00</b>

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with voting rights			
<b>Year ended 31<sup>st</sup> March, 2013</b>			
- Number of Shares	79,000	–	79,000
- Amount (₹)	7,900,000	–	7,900,000
<b>Year ended 31<sup>st</sup> March, 2012</b>			
- Number of Shares	79,000	–	79,000
- Amount (₹)	7,900,000	–	7,900,000

- (ii) Details of Shareholders holding more than 5% shares :

Class of Shares/Name of Shareholder	As at 31.03.2013		As at 31.03.2012	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares with Voting Rights				
Sujata Priyam Mehta	14,221	18.00	14,221	18.00
C.V. Mehta Private Limited	11,994	15.18	11,994	15.18
Priyam Commercial Enterprises Pvt. Ltd.	10,705	13.55	10,705	13.55
Priyam B. Mehta	9,115	11.54	9,115	11.54
Bini Commercial Enterprises Pvt. Ltd.	5,740	7.27	5,740	7.27

- (iii) The Company has issued only one class of shares referred to as Equity Shares having a par value of ₹ 100/-. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. All Equity shares rank equally with regard to the Company's residual assets.
- (iv) The amount of per share dividend recognised as distributions to Equity Shareholders during the year ended March 31, 2013 is ₹ 115/- (Previous Year ₹ 100/-), subject to approval by Shareholders in the ensuing Annual General Meeting.



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 3 : RESERVES AND SURPLUS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Capital Reserve</b>		
Opening Balance	2.79	2.79
<b>(b) Capital Redemption Reserve</b>		
Opening Balance	53.59	53.59
<b>(c) Securities Premium Account</b>		
Opening Balance	275.50	275.50
<b>(d) General Reserve</b>		
Opening Balance	2,115.15	2,015.15
Add : Transferred from Surplus in Statement of Profit & Loss	200.00	100.00
Closing Balance	2,315.15	2,115.15
<b>(e) Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	295.53	180.58
Add : Profit for the year	710.35	306.77
	1005.88	487.35
Less : Transferred to/Appropriations		
General Reserve	(200.00)	(100.00)
Proposed Dividend on Equity Shares to be distributed to the Shareholders (₹ 115/- per share, Previous year ₹ 100/- per share)	(90.85)	(79.00)
Tax on Dividend	(15.44)	(12.82)
Closing Balance	699.59	295.53
<b>Total</b>	<b>3,346.62</b>	<b>2,742.56</b>

### NOTE 4 : LONG TERM BORROWINGS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Term Loans</b>		
From Banks & Financial Institution		
Secured	1,577.02	1,117.55
<b>(b) Deposits from Public</b>		
Unsecured	696.14	594.35
<b>(c) Deposits from Related Parties</b>		
Unsecured	843.50	918.50
<b>Total</b>	<b>3,116.66</b>	<b>2,630.40</b>

- (i) Term Loan from Punjab National Bank of ₹ 299.94 Lacs (Previous year ₹ 499.94 Lacs) is collaterally secured by hypothecation of plant and machineries of Kathwada Unit excluding specific plant and machinery, if any, purchased and/or to be purchased under any scheme of financial institution/bank and other assets excluded for the charge and also by mortgage of land and building of Kathwada Unit. This loan is repayable in 20 equal quarterly instalments.
- (ii) Term Loans from HDFC Bank of ₹ 849.13 Lacs (Previous year - ₹ 977.15 Lacs) are secured by way of equitable mortgage of the building at Mumbai. The said loan is repayable in 20 equal quarterly instalments.
- (iii) Term Loan of Kotak Mahindra Bank of ₹ 900.00 Lacs (Previous Year NIL) is secured by way of equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments.
- (iv) Vehicle Loans from Banks & Financial Institution amounting to ₹ 222.52 Lacs (Previous year ₹ 43.79 Lacs) are secured by way of hypothecation of respective motor vehicles purchased. The said loans are repayable in 36 equal monthly instalments.

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 5 : LONG TERM PROVISIONS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>Provision for Employee Benefits (Refer Note 23.viii)</b>		
(a) Provision for compensated Absences	92.51	78.46
(b) Provision for Gratuity (Net)	124.24	211.99
<b>Total</b>	<b>216.75</b>	<b>290.45</b>

### NOTE 6 : SHORT TERM BORROWINGS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Deposits from Related Parties (Refer Note 23.xii)</b>		
Unsecured	25.00	50.00
<b>(b) Deposits from Public</b>		
Unsecured	274.95	308.99
<b>(c) Working Capital Loans</b>		
Secured	2,769.62	2,353.67
<b>Total</b>	<b>3,069.57</b>	<b>2,712.66</b>

Working Capital loans are secured by hypothecation of stock of stores, stock-in-trade including stock meant for exports and book debts present and future and collaterally secured by hypothecation of plant & machineries of Kathwada Unit excluding specific plant and machinery, if any, purchased and/or to be purchased under any scheme of financial institution/bank and other assets excluded for the charge and also by mortgage of land and building of Kathwada Unit.

### NOTE 7 : TRADE PAYABLES

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>Trade Payables (Refer Note 23.vi)</b>		
For Supply of Goods	6,378.53	5,204.63
Others	467.64	328.90
<b>Total</b>	<b>6,846.17</b>	<b>5,533.53</b>

### NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Current Maturities of Long Term Debt (Refer Note below)</b>	<b>694.57</b>	<b>423.33</b>
<b>(b) Unpaid Dividends</b>	<b>15.33</b>	<b>13.57</b>
<b>(c) Unpaid Matured Deposits</b>	<b>8.62</b>	<b>1.48</b>
<b>(d) Other Payables</b>		
(i) Statutory Remittance	45.36	37.05
(ii) Payables on Purchase of Fixed Assets	91.83	147.79
(iii) Trade/Security Deposits Received	20.58	18.73
(iv) Advances from Customers	390.52	175.75
(v) Others	55.38	48.10
<b>Total</b>	<b>1,322.19</b>	<b>865.80</b>

Current Maturities of Long Term Debt (Refer Note (i) to (iv) in Note 4 - Long Term Borrowings) for details of Security.



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 9 : SHORT TERM PROVISIONS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Provision for Employee Benefits</b>		
(i) Provision for Bonus	71.50	69.00
(ii) Provision for Compensated Absences	30.99	27.75
(iii) Provision for Gratuity (Net) - (Refer Note 23.viii)	103.73	69.41
	<b>206.22</b>	<b>166.16</b>
<b>(b) Provision - Others</b>		
(i) Provision for Proposed Equity Dividend	90.85	79.00
(ii) Provision for Tax on Proposed Dividend	15.44	12.82
(iii) Provision - Expenses	380.17	321.57
	<b>486.46</b>	<b>413.39</b>
<b>Total</b>	<b>692.68</b>	<b>579.55</b>

### NOTE 10 : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2012	Additions during the year	Disposals during the year	Balance as at 31.03.2013	Balance as at 01.04.2012	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31.03.2013	Balance as at 31.03.2013	Balance as at 31.03.2012
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>A Tangible Assets</b>										
<b>(a) Land</b>										
Freehold	0.80	-	-	0.80	-	-	-	-	0.80	0.80
<b>(b) Buildings</b>										
Owned	1477.87	191.85	-	1669.72	376.56	48.44	-	425.00	1244.72	1101.31
<b>(c) Plant &amp; Machinery</b>										
Owned	11883.94	253.95	-	12137.89	5056.77	505.61	-	5562.38	6575.51	6827.17
<b>(d) Furniture &amp; Fixtures</b>										
Owned	117.64	28.60	-	146.24	88.69	7.26	-	95.95	50.29	28.95
<b>(e) Office Equipments</b>										
Owned	114.89	14.52	-	129.41	61.46	6.96	-	68.42	60.99	53.43
<b>(f) Vehicles</b>										
Owned	281.35	299.63	96.88	484.10	87.11	36.94	34.46	89.59	394.51	194.24
<b>(g) Others</b>										
Agricultural Equipments	0.35	-	-	0.35	0.34	-	-	0.34	0.01	0.01
<b>Total</b>	<b>13,876.84</b>	<b>788.55</b>	<b>96.88</b>	<b>14,568.51</b>	<b>5,670.93</b>	<b>605.21</b>	<b>34.46</b>	<b>6,241.68</b>	<b>8,326.83</b>	<b>8,205.91</b>
Previous Year	11,989.44	1,887.90	0.50	13,876.84	5,154.41	517.00	0.48	5,670.93	8,205.91	

Buildings include :

- ₹ 313.42 Lacs (Previous Year ₹ 313.42 Lacs) being the cost of ownership premises in a co-operative housing society including cost of fifteen shares of the face value of ₹ 750/- received under the Bye-laws of the Society in the name of the Company.
- ₹ 4.50 Lacs (Previous Year ₹ 4.50 Lacs) being the cost of ownership premises in a cloth market association including cost of one share of the face value of ₹ 100/- received under rules and regulation of the association in the name of the Company.

<b>B. Depreciation relating to continuing operations</b>	For the year ended 31.03.2013 ₹ in Lacs	For the year ended 31.03.2012 ₹ in Lacs
Depreciation for the year on Tangible Assets	605.21	517.00
<b>Total Depreciation and Amortisation</b>	<b>605.21</b>	<b>517.00</b>

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

**Note :** Details of Assets acquired under Hire Purchase Agreements :

	Gross Block		Net Block	
	31.03.2013 ₹ in Lacs	31.03.2012 ₹ in Lacs	31.03.2013 ₹ in Lacs	31.03.2012 ₹ in Lacs
<b>Motor Cars</b>	<b>370.75</b>	<b>84.71</b>	<b>344.68</b>	<b>74.69</b>

### NOTE 11 : NON CURRENT INVESTMENTS

	As at 31.03.2013			As at 31.03.2012		
	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Total ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Total ₹ in Lacs
<b>Other Investments</b>						
<b>(a) Investment in Equity Instruments</b>						
(i) <i>Of Associates</i>						
<b>12,00,000 Equity Shares of Sayaji Sethness Limited of ₹ 10/- each</b> (Previous Year : 12,00,000 Nos.)	-	120.00	120.00	-	120.00	120.00
(ii) <i>Of Other Entities</i>						
1,000 Equity Shares of ₹ 10/- each of Rapticut Carbide Limited (P.Y.-1,000 Nos.)	0.05	-	0.05	0.05	-	0.05
472 Equity Shares of Punjab National Bank of ₹ 10/- each (P.Y.-472 Nos)	1.84	-	1.84	1.84	-	1.84
4,500 Equity Shares of Cama Hotels Ltd. of ₹ 10/- each (P.Y.-4,500 Nos)	-	0.58	0.58	-	0.58	0.58
2,500 Equity Shares of Sterling (Guj) Hospitals Ltd. of ₹ 10/- each (P.Y.-2,500 Nos)	-	0.25	0.25	-	0.25	0.25
2,15,200 Equity Shares of Ahmedabad Commodity Exchange of ₹ 10/- each (Previous Year : 2,15,200 Nos.)	-	22.05	22.05	-	22.05	22.05
	<b>1.89</b>	<b>142.88</b>	<b>144.77</b>	<b>1.89</b>	<b>142.88</b>	<b>144.77</b>
<b>(b) Investment in Mutual Funds</b>						
23,300 Units of "Principal Emerging Bluechip Fund-Growth Plan" of ₹ 10/- each (P.Y.-23,300 Units)	6.52	-	6.52	6.52	-	6.52
<b>(c) Other Non Current Investments</b>						
National Saving Certificates	-	0.10	0.10	-	0.10	0.10
<b>Total</b>	<b>8.41</b>	<b>142.98</b>	<b>151.39</b>	<b>8.41</b>	<b>142.98</b>	<b>151.39</b>
Less : Provision for Diminution in value of Investments			-			-
<b>Total</b>			<b>151.39</b>			<b>151.39</b>
Aggregate amount of Quoted Investments			<b>8.41</b>			<b>8.41</b>
Aggregate Market Value of Listed and Quoted Investments			<b>11.44</b>			<b>11.22</b>
Aggregate Amount of Unquoted Investments (At Cost)			<b>142.98</b>			<b>142.98</b>



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 12 : LONG TERM LOANS AND ADVANCES

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
(a) Capital Advances Unsecured, Considered Good	77.34	113.81
(b) Security Deposits Unsecured, Considered Good	5.82	5.82
(c) Advance Income Tax (Net of Provisions ₹ 517.50 Lacs) (As at 31.03.2012 ₹ 381.50 Lacs)	88.09	113.55
<b>Total</b>	<b>171.25</b>	<b>233.18</b>

### NOTE 13 : INVENTORIES

(At Lower of Cost or Net Realisable Value)

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
(a) Raw Materials	2,334.95	2,108.77
(b) Work-In-Progress	928.62	959.50
(c) Finished Goods (Includes stock of Traded Goods ₹ 18.33 Lacs) (Previous Year ₹ NIL Lacs)	996.65	668.52
(d) By Products (At Net Realisable Value)	55.79	38.37
(e) Stores, Spare Parts, Packing Material and Fuel	370.68	290.16
Goods in Transit	–	6.96
<b>Total</b>	<b>4,686.69</b>	<b>4,072.28</b>

### NOTE 14 : TRADE RECEIVABLES

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>Trade Receivables outstanding for a period exceeding Six months from the date they were due for payment</b>		
Unsecured, Considered Good	87.92	112.68
Doubtful	21.71	21.71
	<b>109.63</b>	<b>134.39</b>
Less : Provision for Doubtful Trade Receivables	21.71	21.71
	<b>87.92</b>	<b>112.68</b>
Other Trade Receivables Unsecured, Considered Good	3,887.56	2,919.91
<b>Total</b>	<b>3,975.48</b>	<b>3,032.59</b>
Trade Receivables includes debts due from :		
	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
Company in which any Director is a Director : Sayaji Sethness Limited	127.84	107.24



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 15 : CASH & CASH EQUIVALENTS

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Cash on Hand</b>	21.94	16.95
<b>(b) Balance with Banks</b>		
(i) In Current Accounts	2.84	21.80
(ii) In EEFC Accounts	–	3.83
(iii) In Deposit Accounts (Refer Note below)	50.03	49.79
(iv) In Earmarked Accounts		
- Unpaid Dividend Accounts	15.33	13.57
- Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments (Refer Note below)	8.95	5.55
<b>Total</b>	<b>99.09</b>	<b>111.49</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 <i>Cash Flow Statements</i> is	<b>74.81</b>	<b>90.22</b>
Balances with banks include deposits amounting to ₹ Nil (As at 31.03.2012 ₹ 2.15 Lacs) and Margin monies amounting to ₹ 8.95 Lacs (As at 31.03.2012 ₹ 5.55 Lacs) which have an Original maturity of more than 12 months.		

### NOTE 16 : SHORT TERM LOANS AND ADVANCES

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
<b>(a) Loans and Advances to Related Parties (Refer Note 23.xii)</b>		
Unsecured, Considered Good	30.38	–
<b>(b) Security Deposits</b>		
Unsecured, Considered Good	3.97	3.82
<b>(c) Loans and Advances to Employees</b>		
Unsecured, Considered Good	6.83	4.24
<b>(d) Prepaid Expenses</b>		
Unsecured, Considered Good	9.51	18.19
<b>(e) MAT Credit Entitlement</b>	332.00	–
<b>(f) Balances with Government Authorities</b>		
(i) CENVAT Credit	172.25	43.96
(ii) PLA Balance	2.23	3.18
	<b>174.48</b>	<b>47.14</b>
<b>(g) Others</b>		
Unsecured, Considered Good	1387.57	268.05
<b>Total</b>	<b>1,944.74</b>	<b>341.44</b>
Short Term Loans & Advances include Amounts due from :		
	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
Company in which any Director is a Director Sayaji Sethness Limited	30.38	–



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 17 : REVENUE FROM OPERATIONS

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
(a) Sale of Products (Refer Note (i) below)	50,490.52	38,863.02
(b) Less : Excise Duty & VAT	3,389.67	2,651.82
	47,100.85	36,211.20
(c) Other Operating Revenues (Refer Note (ii) below)	272.53	305.03
<b>Total</b>	<b>47,373.38</b>	<b>36,516.23</b>
<b>Note:</b>		
(i) Sale of Products comprises :		
<b>Manufactured Goods :</b>		
Starches	11,536.45	10,685.31
Process Foods	19,418.65	16,059.18
Drugs & Pharmaceuticals	2,581.10	3,349.57
By Products and Others	7,739.99	6,035.64
<b>Total Sale of Manufactured Goods</b>	<b>41,276.19</b>	<b>36,129.70</b>
<b>Traded Goods</b>		
Starches	3,203.40	–
Process Foods	1,345.80	–
By Products and Others	1,275.46	81.50
<b>Total Sale of Traded Goods</b>	<b>5,824.66</b>	<b>81.50</b>
<b>Total Sale of Products</b>	<b>47,100.85</b>	<b>36,211.20</b>
(ii) Other Operating Revenue comprise :		
Export Incentives	237.02	239.62
Net Gain on Foreign Currency Transactions and Translation	19.15	54.50
VAT Refund	11.00	–
Others	5.36	10.91
<b>Total Other Operating Revenues</b>	<b>272.53</b>	<b>305.03</b>

### NOTE 18 : OTHER INCOME

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
(a) Dividend Income :		
From Long Term Investments		
Associates	24.00	24.00
Others	0.13	0.13
(b) Net Gain on Sale of :		
Long Term Investments	–	0.09
(c) Other Non Operating Income (Refer Note below)	5.84	46.07
<b>Total</b>	<b>29.97</b>	<b>70.29</b>
<b>Note :</b>		
Other Non Operating Income comprises :		
Rental Income from Operating Leases	2.35	2.40
Profit on Sale of Fixed Assets	–	36.18
Miscellaneous Income	3.49	7.49
<b>Total - Other Non Operating Income</b>	<b>5.84</b>	<b>46.07</b>

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 19.a : COST OF MATERIALS CONSUMED

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Opening Stock	2,108.77	1,486.53
Add : Purchases	26,203.87	22,757.98
Less : Closing Stock	2,334.95	2,108.77
<b>Total</b>	<b>25,977.69</b>	<b>22,135.74</b>
Material consumed comprises :		
Maize	24,968.97	21,788.30
Maize Starch	904.44	284.68
Others	104.28	62.76
<b>Total</b>	<b>25,977.69</b>	<b>22,135.74</b>

### NOTE 19.b : PURCHASE OF TRADED GOODS

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Starches	3,181.11	-
Process Foods	1,319.71	-
By Products & Others	1,353.43	66.39
<b>Total</b>	<b>5,854.25</b>	<b>66.39</b>

### NOTE 19.c : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
<b><u>Inventories at the End of the Year</u></b>		
Finished Goods (including Stock-In-Trade of ₹18.33 Lacs) (Previous year ₹ Nil Lacs)	1,052.45	706.89
Work-In-Progress	928.61	959.50
	<b>1,981.06</b>	<b>1,666.39</b>
<b><u>Inventories at the beginning of the Year</u></b>		
Finished Goods	706.89	645.00
Work-In-Progress	959.50	810.48
	<b>1,666.39</b>	<b>1,455.48</b>
<b>Total</b>	<b>(314.67)</b>	<b>(210.91)</b>

### NOTE 20 : EMPLOYEE BENEFITS EXPENSE

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Salaries and Wages	2,195.69	2,025.68
Contribution to Provident and other Funds (Refer Note 23.viii)	179.19	206.64
Staff Welfare Expenses	195.98	174.11
<b>Total</b>	<b>2,570.86</b>	<b>2,406.43</b>



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE 21 : FINANCE COSTS

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Interest Expense on :		
Borrowings	787.60	671.10
<b>Total</b>	<b>787.60</b>	<b>671.10</b>

### NOTE 22 : OTHER EXPENSES

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Consumption of Packing Materials	1,683.25	1,320.62
Consumption of Stores and Spare Parts	1,744.34	1,754.46
Power and Fuel	3,580.61	3,740.98
Rent including Lease Rentals	33.14	14.04
Repairs and Maintenance - Buildings	80.70	43.95
Repairs and Maintenance - Machinery	693.48	704.30
Repairs and Maintenance - Others	127.90	125.00
Insurance	24.81	21.42
Rates and Taxes (Refer Note 23.iv)	233.18	195.11
Sales Expenses	2,084.55	1,766.86
Technical Know-How & Service Fees	29.45	16.23
Donations and Contributions	4.06	18.63
Payment to Auditors (Refer Note below)	7.87	5.57
Loss on Sale of Fixed Assets	15.32	-
Bad Debts Written Off	36.74	15.04
Directors Sitting Fees	4.00	3.25
Managerial Remuneration	78.85	53.21
General Charges	811.19	723.07
<b>Total</b>	<b>11,273.44</b>	<b>10,521.74</b>

#### Note :

	For the year 2012-13 ₹ in Lacs	For the year 2011-12 ₹ in Lacs
Payment to the Auditors comprises :		
As Auditors - Statutory Audit	4.00	4.00
For Tax Audit	0.60	0.50
For Other Services	3.20	1.00
Reimbursement of Expenses	0.07	0.07
<b>Total</b>	<b>7.87</b>	<b>5.57</b>

Payment made to firms in which some of the partners of audit firm are Partners is ₹ 3.16 Lacs (Previous year ₹ 3.90 Lacs)

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

### NOTE NO. 23

- i. Corresponding figures of the previous year have been re-grouped to make them comparable with the figures of the current year wherever necessary.

	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
ii. Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	56.41	46.96
iii. Contingent liabilities not provided for :		
(a) Bills discounted but not matured	423.37	365.89
(b) Guarantees given by the Bankers on behalf of the Company.	81.62	53.86
(c) Disputed demand of Income tax as the Company expects to succeed in the appeal.	6.23	5.16
iv. Excise Duty shown as deduction from Sales represents the amount of excise duty collected on sales. The difference between excise duty element in the amounts of closing stocks and opening stocks, excise duty paid on samples and inventory written off which is not recoverable from sales (if any) is shown under Note No. 22 of "Other Expenses".		
v. Balances of receivables, payables and loans and advances parties are subject to their confirmations. These balances are therefore, subject to adjustments, if any, as may be required on settlement of these balances with the parties.		
vi. There are no dues to Micro, Small and Medium Enterprises as at 31 <sup>st</sup> March, 2013. This information as required to disclose under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
vii. Deferred Tax	As at 31.03.2013 ₹ in Lacs	As at 31.03.2012 ₹ in Lacs
Deferred Tax Liability :		
Depreciation	(1113.33)	(1048.90)
Deferred Tax Assets :		
Unabsorbed Depreciation	-	64.46
Provision for Employee benefits	114.03	125.76
Provision for Doubtful Debts	7.04	7.04
Deferred tax asset /(liability) (Net)	(992.26)	(851.64)

### viii. Employee Benefits

The present value of gratuity and leave encashment obligations is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Details of post retirement benefits are as follows :

#### (a) Defined Benefit Plans

- (i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Statement of Profit & Loss.
- (ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment. Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months. The plan is funded.
- (iii) Leave Encashment benefit is a benefit to an employee based on 30 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months.



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

Particulars	₹ in Lacs	
	Gratuity	Leave Encashment
<b>(b) Expenses recognized in the Statement of Profit &amp; Loss for the period ended March 31, 2013</b>		
Current Service cost	31.05	17.43
Interest Cost	73.73	9.03
Expected return on plan assets	(49.81)	–
Net actuarial losses (gains)	(5.70)	47.27
<b>Total Expenses</b>	<b>49.27</b>	<b>73.73</b>
<b>(c) Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation</b>		
Opening defined benefit obligation as on April 1, 2012	867.45	106.21
Service cost	31.05	17.43
Interest cost	73.73	9.03
Actuarial losses (gains)	(2.26)	47.27
Benefits paid	(72.84)	(56.44)
<b>Closing defined benefit obligation as at March 31, 2013</b>	<b>897.13</b>	<b>123.50</b>
<b>(d) Reconciliation of Opening and Closing balances of changes in fair value of the assets</b>		
Opening fair value of plan assets as at April 1, 2012	586.05	–
Expected return on plan assets	49.81	–
Actuarial gains and (losses)	3.44	–
Assets distributed on settlements	–	–
Contributions by employer	102.70	–
Benefits paid	(72.84)	–
<b>Closing balance of fair value of plan assets as at 31.03.2013</b>	<b>669.16</b>	<b>–</b>
<b>(e) Net Liability recognized in the Balance Sheet as at March 31, 2013</b>		
Defined Benefit Obligation as at March 31, 2013	897.13	123.50
Fair Value of plan assets as at March 31, 2013	669.16	–
Present Value of unfunded obligation recognized as liability as at March 31, 2013	227.97	123.50
<b>(f) Actual Return on Plan Assets</b>		
<b>(g) Actuarial Assumptions</b>	As at 31st March, 2013	
Discount Rate	8%	
Expected rate of return on plan assets	8.60%	
Expected rate of salary increase	4%	
Mortality	LIC 1994-96 ultimate tables	
Withdrawal Rates	2%	
Retirement Age	60 years	
Actuarial Valuation Method	Projected unit credit method	
(i) The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.		
(ii) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.		
(iii) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.		



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

(h) **Investment details of Plan Assets :** To fund the obligation under the gratuity plan, contributions are made to Life Insurance Corporation Of India, who has invested the funds substantially in Government Securities.

(i) **Experience History**

	Gratuity		Leave Encashment			
	31.03.2013 (₹ in Lacs)	31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)	31.03.2013 (₹ in Lacs)	31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)
Present value of defined benefit obligations at the end of the year	897.13	867.45	808.23	123.50	106.21	104.17
Fair value of plan assets at the end of the year	669.16	586.05	522.85	–	–	–
<b>Net assets / (liability) at the end of the year</b>	<b>(227.97)</b>	<b>(281.40)</b>	<b>(285.38)</b>	<b>(123.50)</b>	<b>(106.21)</b>	<b>(104.17)</b>

(j) **Defined Contribution Plans.**

₹ 129.90 Lacs recognized as an expense and included in the Note 20 of Employee Benefit Expense under the head "Contribution to Provident and other funds" (Previous year ₹ 124.86 Lacs).

ix. **a. Business Segment**

The Company operates in only one business segment i.e. Corn Wet Milling comprising mainly manufacture of Starches, its derivatives and by products. Accordingly, no further financial information for business segment is required to be given.

**b. Geographical Segment**

For the purpose of geographical segment, the turnover is segregated based on the location of the customer and assets are segregated based on the location of the assets.

<b>Segment Revenue</b>		<b>2012-13</b>	<b>2011-12</b>
		<b>₹ in Lacs</b>	<b>₹ in Lacs</b>
1.	Revenue		
	(a) India	<b>36048.10</b>	25965.17
	(b) Outside India	<b>11325.28</b>	10551.06
	<b>Total :</b>	<b>47373.38</b>	36516.23
2.	Other Income		
	(a) India	<b>29.97</b>	70.29
	(b) Outside India	–	–
	<b>Total :</b>	<b>29.97</b>	70.29
<b>Segment Assets</b>			
1.	Carrying amount		
	(a) India	<b>14559.89</b>	13868.22
	(b) Outside India	<b>8.62</b>	8.62
	<b>Total :</b>	<b>14568.51</b>	13876.84
2.	Additions		
	(a) India	<b>788.55</b>	1887.90
	(b) Outside India	–	–
	<b>Total :</b>	<b>788.55</b>	1887.90
x.	<b>Details of Imported Materials :</b>		
	(a) CIF value of Imports		
	(i) Stores, Spare parts & Chemicals	<b>270.36</b>	364.99
	(ii) Machinerics	–	5.45



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

(b) Consumption :	Raw Materials		Stores, Spares, Chemicals	
	₹ in Lacs	%	₹ in Lacs	%
1. Imported	-	-	374.19	10.92
	(-)	(-)	(446.93)	(14.53)
2. Indigenous	25977.69	100	3053.41	89.08
	(22135.74)	(100)	(2628.15)	(85.47)
<b>Total</b>	<b>25977.69</b>	<b>100</b>	<b>3427.60</b>	<b>100</b>
	(22135.74)	(100)	(3075.08)	(100)

### xi Particulars regarding Foreign Exchange :

(a) Expenditure on accrual basis in foreign currency :	₹ in Lacs
1) Travelling	27.98
	(21.77)
2) Subscription for periodicals	1.50
	(0.11)
3) Technical Know-how & Service Fees	29.45
	(16.24)
4) Commission	74.73
	(68.18)
5) Overseas Office Expenses	43.28
	(41.89)
(b) Earnings in foreign currency :	
FOB Value of Exports	10569.43
	(9910.75)

(Figures in brackets are of Previous Year)

### xii Disclosures pertaining to related parties pursuant to Accounting Standard 18 :

#### (a) List of Related Parties and Relationships :

##### Associate Companies :

Sayaji Sethness Limited  
C. V. Mehta (Pvt.) Ltd.  
Bini Commercial Enterprises (Pvt.) Ltd.  
Priyam Commercial Enterprises (Pvt.) Ltd.  
N.B. Commercial Enterprises (Pvt.) Ltd.  
Viva Tex Chem (Pvt.) Ltd.  
Varun Travels (Pvt.) Ltd.

##### Key Managerial Personnel :

Shri Priyam B. Mehta  
Shri Varun P. Mehta  
Shri Vishal P. Mehta

##### Relatives of Key Managerial Personnel :

Smt. Sujata P. Mehta

# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

(b) Related Party Transactions and Balances :

Transactions	Associate Companies	Key Managerial Personnel	Relatives of Key Managerial Personnel	₹ in Lacs
				Total
Sale of Goods	<b>963.09</b> (773.97)	- (-)	- (-)	<b>963.09</b> (773.97)
Purchase of Goods	<b>951.20</b> (853.41)	- (-)	- (-)	<b>951.20</b> (853.41)
Inter Corporate Deposits received	<b>27.00</b> (94.00)	- (-)	- (-)	<b>27.00</b> (94.00)
Inter Corporate Deposits paid	<b>127.00</b> (202.00)	- (-)	- (-)	<b>127.00</b> (202.00)
Interest paid on Deposits	<b>84.21</b> (93.62)	- (-)	<b>9.09</b> (8.42)	<b>93.30</b> (102.04)
Remuneration	- (-)	<b>78.85</b> (53.21)	- (-)	<b>78.85</b> (53.21)
Reimbursement of expenses	<b>33.76</b> (25.39)	- (-)	- (-)	<b>33.76</b> (25.39)
Services Received	<b>73.34</b> (49.12)	- (-)	- (-)	<b>73.34</b> (49.12)
Rent Received	<b>2.84</b> (2.79)	- (-)	- (-)	<b>2.84</b> (2.79)
Debit Balances outstanding as on 31.03.2013	<b>158.23</b> (107.24)	- (-)	- (-)	<b>158.23</b> (107.24)
Credit Balances outstanding as on 31.03.2013	<b>985.61</b> (1045.41)	- (-)	<b>83.07</b> (73.97)	<b>1068.68</b> (1119.38)

(Figures in brackets are of Previous Year)

**xiii Earnings Per Share :**

	<b>2012-13</b>	<b>2011-12</b>
(a) Weighted average number of equity shares of ₹100/- each.		
Number of Shares at the beginning of the year	<b>79,000</b>	79,000
Number of Shares at the end of the year	<b>79,000</b>	79,000
Weighted average number of equity shares outstanding during the year	<b>79,000</b>	79,000
(b) Net Profit after tax available for Equity Shareholders (₹ In Lacs)	<b>710.35</b>	306.77
(c) Basic and diluted Earnings Per Share (Rupees)	<b>899.18</b>	388.32

**xiv Disclosures regarding Derivative Instruments :**

- (a) The company uses forward exchange contracts to hedge its exposure in foreign currency. There are no contracts entered into for the purpose of speculation.



# SAYAJI INDUSTRIES LIMITED

## Notes Forming Part of the Financial Statements

(b) The information on derivative instruments as on March 31, 2013 is as follows :

Hedged Exposures	Number of Contracts	Foreign Currency Amount	Reporting Currency Amount
Forward cover for export receivables	6	US \$ 713892	₹ 4,03,12,098
Forward cover for import payables	—	—	—
<b>Unhedged Exposures</b>			
Accounts Receivable		US \$ 1741477 €158665	₹ 9,46,64,406 ₹ 1,10,22,458

### SIGNATURE TO NOTE 1 TO 23

As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Gaurav J. Shah**  
Partner

Place : Ahmedabad  
Date : May 30, 2013

**Priyam B. Mehta**  
Chairman & Managing Director

**CA Mahendra N. Shah**  
Director

**Dr. J. D. Desai**  
Director

**N. J. Deora**  
Sr. Executive V. P. (Accounts)

Place : Ahmedabad  
Date : May 30, 2013

**Varun P. Mehta**  
Executive Director

**V. M. Mehta**  
Director

**CA Chirag M. Shah**  
Director

**Rajesh H. Shah**  
Company Secretary

**Vishal P. Mehta**  
Executive Director

**Dr. G.K. Dalal**  
Director



सत्यमेव जयते

भारत सरकार

GOVERNMENT OF INDIA

वाणिज्य एवं उद्योग मंत्रालय

MINISTRY OF COMMERCE &amp; INDUSTRY

कार्यालय, संयुक्त महानिदेशक, विदेश व्यापार

OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE

मान्यता प्रमाण पत्र

Certificate of Recognition

निर्यात सदन

STAR EXPORT HOUSE

मैसर्स \_\_\_\_\_

(आई ई सी सं. .... और आयकर पैन सं. ....)  
को विदेश व्यापार नीति, 2004-2009 के प्रावधानों के अनुसार निर्यात सदन  
का स्तर प्रदान किया जाता है। यह प्रमाण पत्र 1 अप्रैल ..... से 31 मार्च .....  
तक ..... वर्षों की अवधि के लिए वैध है।

M/s MAIZE PRODUCTS, A. DIVN. OF SAYAJI INDUSTRIES LIMITED,  
P.O. KATHWADA, MAIZE PRODUCTS, CHINUSHAINAGAR, AHMEDABAD - 382430

(IEC No. 0688009852 ..... and Income Tax PAN  
No. AAB060618 .....) are hereby accorded the status of Export House  
in accordance with the provisions of the Foreign  
Trade Policy, 2004-2009. This Certificate is valid for a period of  
..... years effective from 1st April, 2009 ..... to 31st March  
.....  
THE CERTIFICATE IS VALID TILL THE PROVISION OF FOREIGN TRADE  
POLICY (2009-14) CONTINUE TO RECOGNIZE THE STATUS.

सं.  
No. A-2394  
तारीख  
Date 31.07.2009  
स्थान  
Place AHMEDABAD



( A. N. MISHRA )  
संयुक्त महानिदेशक, विदेश व्यापार  
JOINT DIRECTOR  
GENERAL OF FOREIGN TRADE

(फाइल सं. / FILE NO. 08/75/105/00117/AMI 0

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# SAYAJI INDUSTRIES LIMITED

Registered Office :  
P.O. KATHWADA - MAIZE PRODUCTS, AHMEDABAD - 382 430.

## PROXY FORM

I/We \_\_\_\_\_  
of \_\_\_\_\_ in the District of \_\_\_\_\_ being  
a member/members of the above named Company hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
in the District of \_\_\_\_\_ or failing him \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_  
in the District of \_\_\_\_\_ as my/our proxy to vote for  
me / us on / my / our behalf at the 72<sup>nd</sup> Annual General Meeting of the Company to be held on  
**Wednesday, 14<sup>th</sup> August, 2013** at Bhuriba Lallubhai Mehta Primary School, Kathwada – Maize  
Products, Ahmedabad-382 430 and the any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

L.F. No. / Beneficiary A/c. No. :  
Holding :

Signature \_\_\_\_\_

Re. 1  
REVENUE  
STAMP

Notes: (1) A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself.  
(2) A proxy need not be a member.  
(3) The form must be deposited at the Registered Office of the Company at P.O. Kathwada-  
Maize Products, Ahmedabad, not less than 48 hours before the time for holding the meeting.



## સયાજી ઇન્ડસ્ટ્રીઝ લિમિટેડ

રજીસ્ટર્ડ ઓફિસ : પો.ઓ. કઠવાડા,  
મેઈઝ પ્રોડક્ટ્સ, અમદાવાદ - ૩૮૨ ૪૩૦

### વાર્ષિક સામાન્ય સભા

**પ્રવેશ પત્ર**  
ફક્ત એક વ્યક્તિ માટે

તારીખ : ૧૪-૮-૨૦૧૩

સમય : સવારે ૧૦-૩૦ વાગે

સ્થળ : ભૂરીબા લલ્લુભાઈ મહેતા પ્રાથમિકી સ્કૂલ, કઠવાડા, મેઈઝ પ્રોડક્ટ્સ, અમદાવાદ - ૩૮૨ ૪૩૦.

- શેરહોલ્ડર સાહેબો માટે બુધવાર, ૧૪-૮-૨૦૧૩ ના રોજ બોલાવેલ ૭૨મી વાર્ષિક સામાન્ય સભામાં હાજરી આપવા માટે બસની વ્યવસ્થા કરવામાં આવી છે. બસ સારંગપુર દરવાજા, અમદાવાદથી સવારના ૯-૩૦ વાગે ઉપડશે.
- સભામાં હાજરી આપવા આવનાર શેર/પ્રોક્ષી હોલ્ડરને વાર્ષિક અહેવાલની નકલ સાથે લાવવા વિનંતી છે. પેપર અને પ્રિન્ટિંગ ખર્ચમાં થયેલ વૃદ્ધિને કારણે વાર્ષિક સામાન્ય સભામાં વાર્ષિક અહેવાલની નકલ આપવાની પ્રથા બંધ કરી દેવામાં આવી છે વાર્ષિક અહેવાલની ગુજરાતી નકલ આપવાની પ્રથા બંધ કરેલ છે તેની નોંધ લેવી.
- આ પ્રવેશપત્ર ધરાવનાર શેર/પ્રોક્ષી હોલ્ડરને જ સભામાં પ્રવેશ આપવામાં આવશે. સભામાં પ્રવેશ વખતે શેર/પ્રોક્ષી હોલ્ડરે તે સહી કરી સભાના પ્રવેશ દ્વારે આપવું જરૂરી છે. શેર/પ્રોક્ષી હોલ્ડર સાથે આવેલા બીન શેર હોલ્ડર તથા બાબકોને કોઈપણ સંબંધોમાં સભામાં પ્રવેશ આપવામાં આવશે નહીં તેની સભાસદોએ નોંધ લેવી.

ફોલીઓ નં./  
બેનીફિશીયેરી A/c. નં. :

શેરની સંખ્યા

હાજર રહેનાર શેર/પ્રોક્ષી હોલ્ડરની સહી