

67th

ANNUAL REPORT

2007-2008



SAYAJI INDUSTRIES LIMITED

SAYAJI INDUSTRIES LIMITED

DIRECTORS

Shri Bipinbhai V. Mehta
Shri Priyambhai B. Mehta
Dr. Biharilal Kanaiyalal
Shri Mahendrabhai N. Shah
Shri Dashrathbhai G. Patel
Shri Vishvajitbhai M. Mehta
Shri Varunbhai P. Mehta

MANAGING DIRECTORS

Shri Bipinbhai V. Mehta
Shri Priyambhai B. Mehta

COMPANY SECRETARY

Shri Rajesh H. Shah
B. Com., LL.B., A.C.S.

AUDITORS

M/s.C.C.Chokshi & Co.,
Chartered Accountants, Ahmedabad.

LEGAL ADVISORS

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

BANKERS

Punjab National Bank

REGISTERED OFFICE

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

FACTORY

Maize Products
Ahmedabad, Gujarat.

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SAYAJI INDUSTRIES LIMITED

P.O. KATHWADA - MAIZE PRODUCTS
AHMEDABAD - 382 430.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 67th Annual General Meeting of the shareholders of the Company will be held on Friday, the 22nd day of August, 2008 at 4.30 p.m. at Bhuriba Lallubhai Mehta Primary School, Kathwada - Maize Products, Ahmedabad - 382 430, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint a Director in place of Dr. Shri Biharilal Kanaiyalal, who retires by rotation from the Board of Directors in terms of Article 108 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mahendrabhai N. Shah, who retires by rotation from the Board of Directors in terms of Article 108 of the Articles of Association of the Company, but being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration and for the purpose, to consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. C. C. Chokshi & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on a remuneration of Rs.2,00,000/- (Rupees Two Lacs only) plus applicable service tax and actual out of pocket expenses."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 269, 198, 309 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, the consent of the members of the Company be and is hereby given to the reappointment of Shri Priyambhai Bipinbhai Mehta, as the Managing Director of the Company for a period of 5 years from 12th August, 2008 on the remuneration and other terms and conditions as contained in the draft agreement placed before the meeting and initialed by the Chairman for the purpose of identification, with power to the Board of Directors to alter and vary the said terms and conditions of reappointment and remuneration in such manner as the Board in their discretion deem fit and as acceptable to Shri Priyambhai Bipinbhai Mehta."
"FURTHER RESOLVED THAT Board of Directors are hereby authorised to enter into the said agreement with such modifications or amendments as they may think fit."
7. To consider and if thought fit. To pass with or without modification, the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 294, 294 AA and other applicable provisions, if any, of the Companies Act, 1956 or any statutory amendment or substitutions 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 1st October, 2008 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 authorised 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 Agents with or without modifications."

Place : Ahmedabd
Date : 27th June, 2008.

By order of the Board of Directors
RAJESH H. SHAH
COMPANY SECRETARY.

NOTICE



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 Thursday, the 14th August, 2008 to Friday, the 22nd August, 2008 (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 1st September, 2008, 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 13th August, 2008. Thereafter, the dividend shall be paid by Account Payee Cheque only at the Registered Office of the Company at P.O. Maize Products-Kathwada, 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 31st March, 2001 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 20th September, 2008. Members are requested to make their claim to the Company for unclaimed/unpaid dividend for the year 2000-2001 before 20th September, 2008.

Members who have not yet encashed their dividend warrant (s) for the financial year ended on 31st March, 2002 and onwards, are requested to make their claims to the Company without delay.

5. Members are requested to note that Equity Shares of the Company are dematerialised 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 certificate, change of address etc. and 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 to M/s Karvy Computershare Private Limited at Plot No. 17-24, Vithal Rao Nagar, Madhapar, Hyderabad - 500 081.
7. Members are requested to quote their Folio Numbers in all their correspondence.
8. Members desirous of obtaining any information concerning the accounts and operations 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. Members 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 PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF THE COMPANIES ACT, 1956

As required by Section 173(2) of the Companies Act, 1956 (the Act) the following explanatory statement sets out all material facts regarding Special Business mentioned in the accompanying notice dated 27th June, 2008 convening the Annual General Meeting of the Shareholders of the Company.

Regarding Resolution No. 6 :

Shareholders are aware that Shri Priyambhai Bipinbhai Mehta, the Managing Director of the Company, is currently holding the office for a period of 5 years from 12th August, 2003 in terms of Agreement dated 11th November, 2003. The terms of appointment were approved by the Shareholders at the Annual General Meeting held on 29th September, 2003.

Under the management of Shri Priyambhai Bipinbhai Mehta, the Company has shown commendable progress as is evident from the Annual Reports that have been adopted by the Shareholders from year to year. The Board of Directors have therefore, considered it in the interest of the Company to reappoint Shri Priyambhai Bipinbhai Mehta as Managing Director for a further period of 5 years with effect from 12th August, 2008 to 11th August, 2013. The said reappointment was made by the Board of Directors at its meeting held on 27th June, 2008. The terms of reappointment are contained in the draft agreement which is initialed by the Chairman for the purpose of identification and the same is open for inspection of the members as stated in the notice.

Under Sections 269 and 309 of the Act, the reappointment and the terms of remuneration of the Managing Director are required to be approved by the Company in General Meeting. Accordingly, a special resolution is being moved for the approval of Shareholders.

The terms of remuneration of the new contract with the Managing Director for the period of **3 (three)** years from 12.08.2008 to 11.08.2011 are as follows:

- (a) Salary: Up to Rs.2,50,000/- Per month as approved by the Board of Directors from time to time and as permissible under Schedule XIII to the Companies Act, 1956.
- (b) Perquisites: Including residential accommodation, furniture; furnishings and fixtures, gas, electricity, water, medical benefits in India or overseas, leave and leave travel facilities, club fees, insurance, retirement benefits, car, residential telephone and communication facilities, employees stock option schemes etc. as may be approved by the Board of Directors from time to time. Such perquisites may also be provided by way of cash allowances in lieu thereof wherever appropriate.

Salary and the monetary value of perquisites as computed under the Income Tax Rules shall be within the overall ceiling on remuneration under Section 309 of the Act and as per terms and conditions prescribed under Schedule XIII to the Act as amended from time to time.

- (c) Commission : Within the overall ceiling on remuneration of 5% and 10% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Act in each year.

In the opinion of the Board, the terms of remuneration are fair and reasonable and commensurate with his long-standing experience in management of the industrial enterprise as Managing Director.

As the reappointment of Shri Priyambhai Bipinbhai Mehta is being made in accordance with the conditions and provisions of Schedule XIII to the Act, it would be sufficient to pass a Special Resolution approving such reappointment.

The resolution placed before the shareholders authorises the Board to execute the agreement with such modifications or variations as they may think fit. The other terms and conditions of the agreement are the usual terms and conditions as per the existing agreement with the Managing Director.

Where in any financial year the Company has no profit or its profit is inadequate, remuneration payable to Shri Priyambhai Bipinbhai Mehta by way of salary and perquisites will be in accordance with the provisions of Section II of Part II of Schedule XIII to the Act or any other statutory provision, modification or re-enactment thereof. The draft agreement proposed to be entered into with Shri Priyambhai B. Mehta the Managing Director of the Company is open for 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 relevant information as required by Notification No. GSR 36(E), dated 16th January, 2002 issued by the Central Government for amendment of Schedule XIII to the Companies Act, 1956 is as given below :

Sayaji Industries Limited is engaged in the manufacture of Starches and their derivatives, Liquid Glucose, Dextrose Monohydrate, Anhydrous Dextrose, Sorbitol etc. The Company has been established more than six decades back and has shown a consistent growth from year to year.

General Information:

During the year under review, the company has achieved a higher turnover of Rs.23930.05 Lacs as compared to Rs.21597.64 Lacs in previous year. This is partly due to marginal increase in the activity by about 5% and partly due to better realization of finished products. Though, there has been a steep increase in all input costs during the year under review, by adopting policy of stringent cost cutting measures, the company has been able to achieve a higher operating profit of Rs.1060.68 Lacs as against Rs.893.91 Lacs in the previous year. Net profit during the year, however has been more or less maintained at Rs.87.17 Lacs as against Rs.92.60 Lacs in the previous year due to higher impact of interest, depreciation and taxation. Exports of the company has reduced during the year under review mainly on account of appreciation in the value of rupee by approx. 11% against US Dollar. However, there has been depreciation in the value of Rupee against the US Dollar in the current year since April, 2008 and so the company expect that there would be an increase in its export turnover in 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.60 /- Per Equity Share of the face value of Rs.100/- .

Information about Shri Priyambhai Bipinbhai Mehta :

Under the guidance and able management of Shri Priyambhai Bipinbhai Mehta, the Company has achieved commendable progress and it would therefore, be in the interest of the Company to reappoint Shri Priyambhai Bipinbhai Mehta as the Managing Director of the Company on the terms and conditions as mentioned above. Presently, Shri Priyambhai Bipinbhai Mehta is being paid a Salary of Rs.1,76,000/- and the other perquisites. Additionally he is also entitled to commission within the overall ceiling on remuneration of 5% and 10% of the net profits of the Company computed in the manner laid down under Section 309(5) of the Act.

Shri Priyambhai Bipinbhai Mehta, Managing Director is interested in the resolution as it concerns his appointment. Shri Bipinbhai Vadiyal Mehta and Shri Varunbhai Priyambhai Mehta to whom Shri Priyambhai Bipinbhai Mehta is related may also be regarded as interested or concerned in the appointment of Shri Priyambhai Bipinbhai Mehta.

The above may also be treated as an abstract of the terms of contract with Shri Priyambhai Bipinbhai Mehta pursuant to Section 302 of the Act.

Regarding Resolution No. 7 :

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 1st October, 2008 for the sale of products manufactured by the Company, as their existing terms of appointment as approved by the Central Government expires on 30th September, 2008.

The previous appointment of the Sole Selling Agents was made pursuant to the consent of the Shareholders by a Special Resolution passed at the 62nd Annual General Meeting of the Shareholders of the Company held on 29th day of September, 2003 and approval of the Central Government was obtained vide its Letter dated 28th May, 2004.

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 a Market Leader despite the 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 strong follow up by its Sole Selling Agents.

Keeping in view the aforesaid facts and also the interests of the Company your Directors have considered it appropriate to avail invaluable 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. 1st October, 2008 to 30th September, 2013 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.

Place : Ahmedabad
Date : 27th June, 2008.

By order of the Board of Directors
RAJESH H. SHAH
COMPANY SECRETARY

To
THE SHAREHOLDERS,

Your Directors have pleasure in presenting the 67th Annual Report together with Audited Statements of Accounts of the Company for the financial year ended 31st March, 2008.

FINANCIAL RESULTS :

	2007-2008 (Rs. In Lacs)	2006-2007 (Rs. In Lacs)
Sales	23930.05	21597.64
Operating Profit before Interest, Depreciation and Taxation	1060.08	893.91
Less : Interest	544.42	429.68
Gross Profit	<u>515.66</u>	<u>464.23</u>
Less: Depreciation	341.34	288.63
Profit before Tax	<u>174.32</u>	<u>175.60</u>
Less : Current Taxation	21.00	14.00
Fringe Benefit Tax	13.00	12.00
Provision for Deferred Tax	<u>53.15</u>	<u>57.00</u>
Net Profit for the year	<u>87.17</u>	<u>92.60</u>
Add: Balance brought forward from previous year	<u>102.42</u>	<u>101.94</u>
Amount available for Appropriation	<u>189.59</u>	<u>194.54</u>
Appropriations:		
Transfer to General Reserve	50.00	50.00
Proposed Dividend on Equity Shares	36.00	36.00
Tax on Dividend	<u>6.12</u>	<u>6.12</u>
Balance carried forward to Balance Sheet	<u>97.47</u>	<u>102.42</u>
	<u>189.59</u>	<u>194.54</u>

YEAR IN RETROSPECT :

During the year under review, your company has achieved a higher turnover of Rs.23930.05 Lacs as compared to Rs.21597.64 Lacs in previous year. This is partly due to increase in the activity and partly due to better realization of finished products. Though, there has been a steep increase in all input cost during the year under review, by following stringent cost cutting measures, your company has been able to achieve a higher operating profit of Rs.1060.68 Lacs as against Rs.893.91 Lacs in the previous year. Net profit during the year, however has been more or less maintained at Rs.87.17 Lacs as against Rs.92.60 Lacs in the previous year due to higher impact of interest, depreciation and taxation. Efforts to improve performance in all technical areas continued during the year under review.

FUTURE OUTLOOK :

Your directors are of the opinion that due to phenomenal increase in crude prices, there would be further increase in the cost of all inputs including maize, lignite, coal, chemicals, packing etc. during the current year. Interest cost is also expected to go up during the current year. Added to this, expansion of capacity by some of the existing units has intensified the competition in the industry. Your company would therefore exercise cautious approach during the current year and would try to cut the cost at all levels.

DIVIDEND :

Your Directors recommend dividend at the rate of Rs.60/- per Equity Share (Previous Year Rs. 60/- per Equity Share) for the financial year ended 31st March, 2008, which if approved by the members at the forthcoming Annual General Meeting will be paid to those members whose names appear on the Register of Members of the Company on 13th day of August, 2008.

The total outflow on account of dividend will be Rs.42.12 Lacs including dividend tax of Rs.6.12 Lacs.

TECHNICAL KNOW HOW & SERVICE AGREEMENT WITH AMYLUM :

The Company has continued to avail the benefits of technical expertise from M/s Amylum Europe N. V. Belgium.

EXPORTS :

Export has continued to remain focused area of your company. However, during the year under review, the export turnover of your company decreased to Rs.4441.17 Lacs as compared to Rs.5242.58 Lacs in the previous year. This decline is mainly on account of appreciation in the value of Rupee against US Dollar by approx. 11% during the year under review. However, there has been depreciation in the value of Rupee against the US Dollar in the current year since April, 2008 and so your company expect that there would be an increase in its export turnover in the current year. The company will continue with its long-term export oriented marketing policy by exploring new avenues for its high value products.



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, despite of severe competition in the domestic starch industry, your company has been able to achieve better sales realisation for its products as compared to last year. It is heartening to note that despite of increase in the volumes, your company has been able to reduce the average credit period during the year under review as results of 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 30th September, 2008. Considering the persistent untiring efforts of the Sole Selling Agents for maintaining the existing customers, creating new markets, exploring new avenues for the products of the Company and follow up for the collection of dues, it is proposed to continue to avail invaluable services rendered by our Sole Selling Agents for a further period of five years subject to approval of shareholders by way of a Special Resolution and approval of Central Government, if required.

PUBLIC DEPOSITS :

Deposits totaling Rs.28.00 Lacs due for repayment on or before 31st March, 2008 were not claimed by the depositors on that date. As on the date of this report, deposits aggregating Rs.3.00 Lacs from the aforesaid deposits 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.

DIRECTORS :

Pursuant to Article 108 of the Articles of Association of the Company read with Section 256 of the Companies Act, 1956, Dr. Shri Biharilal Kanaiyalal and Shri Mahendrabhai N. Shah, Directors of the company are due to retire at the ensuing Annual General Meeting, but being eligible, have offered themselves for reappointment.

AUDITORS :

At the ensuing Annual General Meeting members are requested to reappoint the Auditors for the current year and fix their remuneration.

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 judgements 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 31st March, 2008 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 both the Managing 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 Sole Banker of the company for enhancing working capital facilities at very competitive rates. Your Directors 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

Place : Ahmedabad
Date : 27th June, 2008

Dr. Biharilal Kanaiyalal
Chairman

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 31st March, 2008.

A. Conservation of Energy:

(a) Energy conservation measures taken :

- I. The following energy conservation measures were taken in the manufacturing activity and every endeavour has been made to ensure the optimal use of energy and conserve energy as far as possible:
 1. Water ejectors consuming higher electricity were replaced by Barometric condensers in Anhydrous Dextrose Plant.
 2. High efficiency Agitators/ Stirrers were installed in reaction tanks of High Maltose Syrup making plant which consumes less power.
 3. Due to switch over of fuel having high calorific value in Boiler, running hours of fuel, handing/ transportation system was reduced which has resulted into power savings.
 4. Process pumps with conventional designs were replaced by energy efficient pumps in various departments.
 5. For efficient use of steam in process, desuperheating station was installed on steam line supplying steam to evaporators in various plant resulting into optimal use of steam.
 6. For reducing line losses and for making efficient use of L P Steam new line of 10 Inches was installed from old turbine to Anhydrous Dextrose/ Sorbitol Departments.

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

1. The company is planning to use alternate sources of water in the process which would minimize the usage of bore well water which in turn would save energy.
2. The company is considering a proposal to replace single effect and double effect evaporators by multiple effect evaporators.
3. The company is considering a proposal to install one more reactor in effluent treatment plant which will lead to generation of additional methane gas which would be consumed in Boiler/ Drying equipments. This would save substantial quantity of fuel.

(c) Impact of measures taken:

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

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

(A) Power and Fuel Consumption:

		2007-2008	2006-2007
1. Electricity			
a) Purchased			
Units	000 Kwh	11366	13911
Total amount	Rs. In Lacs	520.44	622.68
Rate/Unit	Rs.	4.58	4.48
b) Own Generation			
(i) Through Diesel Generator			
Units	000 Kwh	37	216
Unit per ltr. of diesel oil	Kwh	2.10	2.64
Cost/Unit	Rs.	31.59	15.77
(ii) Through steam turbine/generator			
Units	000 Kwh	23305	17216
2. Coal			
Quantity	000 tons	72	57
Total cost	Rs. In Lacs	1678.67	1168.78
Average rate	Rs./Ton	2345	2044
3. Furnace Oil			
Quantity	K. Ltrs.	0	0.00
Total amount	Rs. In Lacs	0	0.00
Average rate	Rs./Ltr.	0	0.00
4. Diesel Oil			
Quantity	K. Ltrs.	17	82
Total amount	Rs. In Lacs	6.13	29.26
Average rate	Rs./Ltr.	35.21	35.79



(B) Consumption per unit of production.

		Standards	2006-2007	2006-2007
Electricity	Kwh	--	348	334
Furnace Oil	Ltrs.	--	0	0
Diesel	Ltrs.	--	0.17	1
Coal	M.T.	--	0.72	0.61
Others		--	NIL	NIL

B. Technology Absorption:

(a) Research and Development (R & D)

(1) Specific areas in which R & D carried out by the Company :

- a. The Company has carried out modifications in the processes at various stages to achieve high standards of quality.
- b. Efforts have been made to use automation and less labour intensive techniques to bring down manufacturing / processing cost of end-products.

(2) Benefits derived as a result of R & D:

- a. The company has been able to reduce labour due to automation of process and has also achieved high standards of quality for its products with lesser variances.
- b. R & D efforts in process engineering have resulted in achieving better operation of equipments with more output and higher efficiency.

(3) Future plan of action:

- a. To introduce more nos. of such equipments which results into saving of energy and improves efficiency in various plant areas of the company.
- b. To upgrade the technical expertise in order to ensure economical and efficient working of Boiler and Power plant.
- c. To introduce more automated equipments resulting in savings of labour to make the final products more competitive and to further improve quality of products to explore new international markets.

(4) Expenditure on R & D:

(a) Capital	Rs. NIL
(b) Recurring	Rs. 23.05 Lacs
(c) Total	Rs. 23.05 Lacs
(d) Total R & D expenditure as a percentage of total turnover.	0.11 %

Technology Absorption, Adaptation & Innovation:

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

The Company has adopted new technology in production process and done various experiments to reduce chemical consumption thereby reducing cost of final products. Efforts are on to further improve functioning / operation of various equipments and systems to reduce consumption of water in various departments.

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

The aforesaid efforts have resulted in product improvement, cost reduction, product development, import substitution and enhancement of process efficiency.

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 : From Belgium
- (b) Year of Import : 1986 and onwards
- (c) Has technology been fully absorbed? : Yes. We could not implement certain changes because of scale of operation and due to continuous change in technology.
- (d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plan of action. : Part of the technology is not possible to implement, because of cost, lack of adequate computerised infrastructure and instrumentation.

C. Foreign Exchange earnings and outgo:

The above information in respect of Foreign exchange earnings and outgo is set out in Note No. 13 (d) (II) & (III) in Schedule 17 to the Accounts.

TO THE MEMBERS OF SAYAJI INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of Sayaji Industries Limited as at March 31, 2008 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in the paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 appears from our examination of those books;
 - c. The Balance Sheet, the Profit & Loss Account 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 Profit & Loss Account and the Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub - section (3C) of Section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on March 31, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and, notes thereon and *subject to Note No. 4 of Schedule 17 regarding non-provision of Book Debts considered doubtful of recovery amounting to Rs. 136.01 lacs*, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - (ii) in the case of the Profit & Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For C.C. CHOKSHI & CO.
Chartered Accountants

H. P. Shah
Partner
Membership No. 33331

Place : Ahmedabad
Date : 27th June, 2008



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date on the accounts of Sayaji Industries Limited for the year ended on March 31, 2008)

- 1 The nature of the Company's business / activities is such that the requirements of clause (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company for the year.
- 2 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As informed to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which, in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
(c) The Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- 3 (a) As informed to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are 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 of inventories as compared to the book records.
- 4 (a) 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.
(b) The Company has taken unsecured loans, from seven companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 974.50 lacs and the year end balance of the loans taken from the companies was Rs. 733 lacs.
(c) In our opinion, the rate of interest and other terms and conditions on which the loans have been taken from the companies listed in the register maintained under section 301 of the Companies Act, 1956, are not, prima facie, prejudicial to the interest of the Company.
(d) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
- 5 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, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- 6 In respect of transactions covered under section 301 of the Companies Act, 1956:
(a) In our opinion and according to the information and explanations given to us, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, for such transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 7 In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA and 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. We are informed by the Company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- 8 The Company has appointed two firms of Chartered Accountants as internal auditors for the year under review. The internal audit for the year has been carried out by the said firms. On the basis of reports made by the internal auditors to the management, in our opinion, the internal audit system is commensurate with the size of the Company and nature of its business.
- 9 We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 in respect of bulk drugs viz. Anhydrous Dextrose manufactured by the Company and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records.
- 10 In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues with appropriate authorities during the year. As informed to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as at March 31, 2008 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us, details of disputed income tax and excise duty liabilities as on March 31, 2008, which have not been deposited as on March 31, 2008 on account of any dispute are given below:

Name of Statute	Nature of the dues	Amount Rs. in lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	178.97	1998-1999 & 1999-2000	CESTAT, Ahmedabad
		584.59	2005-2006 & 2006-2007	CESTAT, Ahmedabad
Income Tax Act, 1961	Income Tax	2.34	1996-1997	Comm. of Income Tax (Appeals), Ahmedabad

- 11 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.
- 12 In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a bank or financial institution. The Company has not issued any debentures.
- 13 The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 14 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 15 In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
- 16 According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
- 17 During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- 18 During the year, no debentures have been issued by the Company and hence the question of creating securities in respect thereof does not arise.
- 19 During the year, the Company has not raised money by way of public issue.
- 20 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For C.C. CHOKSHI & CO.
Chartered Accountants

Place : Ahmedabad
Date : 27th June, 2008

H. P. Shah
Partner
Membership No. 33331



SAYAJI INDUSTRIES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2008.

	Schedule	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
I. SOURCE OF FUNDS :				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	60.00		60.00
b) Reserves & Surplus	2	<u>1969.00</u>	2029.00	<u>2079.64</u>
				2139.64
2. LOAN FUNDS				
a) Secured Loans	3	3527.22		3753.11
b) Unsecured Loans	4	<u>1450.65</u>	4977.87	<u>1661.39</u>
				5414.50
3. DEFERRED TAX LIABILITY (Note No.9 of Schedule 17)				
			489.59	516.61
Total			<u>7496.46</u>	<u>8070.75</u>
II. APPLICATION OF FUNDS :				
1. FIXED ASSETS				
a) Gross Block	5	9607.95		8580.25
b) Less: Depreciation		<u>4046.14</u>		<u>3730.17</u>
c) Net Block		5561.81		4850.08
d) Capital work in progress		<u>286.27</u>	5848.08	<u>232.57</u>
				5082.65
2. INVESTMENTS				
	6		129.25	127.82
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	7	2645.89		2546.42
b) Sundry Debtors	8	1999.20		2014.67
c) Cash and Bank Balances	9	99.32		355.19
d) Loans and Advances	10	<u>655.93</u>		<u>570.76</u>
		5400.34		5487.04
Less: Current Liabilities and Provisions	11	<u>3890.29</u>		2638.87
Net Current Assets			1510.05	2848.17
4. Miscellaneous Expenditure (To the extent not written off or adjusted)				
Deferred Revenue Expenditure				
Voluntary Retirement Compensation			9.08	12.11
Total			<u>7496.46</u>	<u>8070.75</u>
Significant Accounting Policies	16			
Notes on Accounts	17			

As per our attached Report of even date

For C.C.Chokshi & Co.,
Chartered Accountants

Biharilal Kanaiyalal
Chairman

B. V. Mehta
Managing Director

P. B. Mehta
Managing Director

D. G. Patel
Director

V. P. Mehta
Director

M.N. Shah
Director

H. P. Shah
Partner

N. J. Deora
Manager (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : 27th June, 2008.

Ahmedabad
Date: 27th June, 2008.

SAYAJI INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008.

	Schedule	Rupees in Lacs	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
INCOME :				
Sales		23930.05		21597.64
Less: Excise Duty & Sales Tax		2128.80		1817.58
Net Sales		21801.25		19780.06
Other Income	12	114.30		60.84
Increase in stock of Finished Goods and Process Stock	13	78.83		348.85
			21994.38	20189.75
EXPENDITURE :				
Manufacturing and Other Expenses	14	20934.30		19295.84
Depreciation		341.34		288.63
Interest	15	544.42		429.68
			21820.06	20014.15
Profit for the year before Tax			174.32	175.60
Provision for Tax including Wealth Tax				
Current Tax		21.00		14.00
Deferred Tax (Note No.9 of Schedule 17)		53.15		57.00
Fringe Benefit Tax		13.00		12.00
			87.15	83.00
Profit for the year after Tax			87.17	92.60
Balance brought forward from previous year			102.42	101.94
Amount available for Appropriations.			189.59	194.54
APPROPRIATIONS :				
Transfer to General Reserve			50.00	50.00
Dividend :				
Proposed Dividend		36.00		36.00
Tax on Dividend		6.12		6.12
			42.12	42.12
Balance carried to Balance Sheet			97.47	102.42
			189.59	194.54
			145.28	154.33
Basic and Diluted EPS (Note No.15 of Schedule 17) in Rupees				
Significant Accounting Policies	16			
Notes on Accounts	17			

As per our attached Report of even date

For C.C.Chokshi & Co.,
Chartered Accountants

Biharilal Kanaiyalal
Chairman

B. V. Mehta
Managing Director

P. B. Mehta
Managing Director

D. G. Patel
Director

V. P. Mehta
Director

M.N. Shah
Director

H. P. Shah
Partner

N. J. Deora
Manager (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : 27th June, 2008.

Ahmedabad
Date: 27th June, 2008.

PROFIT AND LOSS ACCOUNT



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008

	Year ended 31st March, 2008		Year ended 31st March, 2007	
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit after tax		87.17		92.60
ADJUSTMENT FOR :				
Depreciation	341.34		288.63	
Deferred tax liability	53.15		57.00	
Interest Expenses	544.42		429.68	
Dividend	(18.03)		(24.05)	
Loss on sale of Fixed Assets	8.24		4.13	
Profit on Sale of Investment	(1.43)		--	
		<u>927.69</u>		<u>755.39</u>
Operating profit before working capital changes		1014.86		847.99
ADJUSTMENT FOR :				
Trade and Other Receivables	(69.70)		(169.10)	
Inventories	(99.47)		(627.95)	
Trade Payables	1013.20		587.92	
		<u>844.03</u>		<u>209.13</u>
Cash Generated From Operations		1858.89		638.86
Decrease / (Increase) in Misc. Expenses		3.03		(12.11)
NET CASH FROM OPERATING ACTIVITIES		<u>1861.92</u>		<u>626.75</u>
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1146.90)		(1638.22)	
Sale of Fixed Assets	31.89		32.60	
Sale of Investment	6.43		--	
Purchase of Investment	(6.43)		--	
Dividend Received	18.03		24.05	
Net Cash From Investing Activities		(1096.98)		(1581.57)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds/(repayment) from Long Term Borrowings	(436.63)		1298.88	
Interest Paid	(542.06)		(428.75)	
Dividend & Tax thereon paid	(42.12)		(41.05)	
Net Cash Generated in Financing Activities		(1020.81)		829.08
Net Changes in Cash & Cash Equivalents (A-B-C)		(255.87)		(125.74)
Add: Cash and Cash Equivalents at the beginning of the year		355.19		480.93
Cash and Cash Equivalents at the end of the year		<u>99.32</u>		<u>355.19</u>

As per our attached Report of even date

For C.C.Chokshi & Co.,
Chartered Accountants

Biharilal Kanaiyalal
Chairman

B. V. Mehta
Managing Director

P. B. Mehta
Managing Director

D. G. Patel
Director

V. P. Mehta
Director

M.N. Shah
Director

H. P. Shah
Partner

N. J. Deora
Manager (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : 27th June, 2008.

Ahmedabad
Date: 27th June, 2008.

Schedule : 1

SHARE CAPITAL :

Authorised :

2,00,000 Equity Shares of Rs.100/- each

Total

**Rupees
in Lacs**
200.00

As at
31-3-2007
Rupees
in Lacs
200.00

Issued, Subscribed and Paid up:

60,000 Equity Shares of Rs.100/- each fully paid up.

Total

60.00
60.00

60.00
60.00

NOTE : Out of the above shares:

- (i) 15,000 Equity shares were issued as fully paid up without payment being received in cash pursuant to contract.
- (ii) 10,000 Equity shares were issued as bonus shares by capitalising General Reserve.

Schedule : 2

RESERVES AND SURPLUS :

Capital Reserve :

Balance as per last Balance Sheet

**Rupees
in Lacs**

**Rupees
In Lacs**

As at
31-3-2007
Rupees
in Lacs

2.79

2.79

Capital Redemption Reserve :

Balance as per last Balance Sheet

53.59

53.59

General Reserve :

Balance as per last Balance Sheet

1920.84

1870.84

Less : Adjustment on account of Transitional provisions under Accounting Standard 15 "Employee Benefits" (Net of Tax)

(Refer Note No.10 of Schedule 17)

155.69

--

1765.15

1870.84

Add: Transfer from Profit & Loss Account

50.00

50.00

1815.15

1920.84

Balance of Profit & Loss Account

97.47

102.42

Total

1969.00

2079.64

Schedule : 3

SECURED LOANS :

From Banks :

Term Loans*

Working Capital Loans**

Total

**Rupees
In Lacs**

947.68

2579.54

3527.22

As at
31-3-2007
Rupees
in Lacs

1247.68

2505.43

3753.11

- * Term Loan for purchase of Boiler, Turbine and other Plant & Machineries are secured by first charge by way of hypothecation of the Assets purchased and collaterally secured by first charge on the Assets of the Kathwada Unit. The loan for purchase of Building is secured by way of equitable mortgage of the building purchased.
- ** Secured by hypothecation of stock of stores, stock-in-trade including stock meant for exports and book-debts and further secured by hypothecation of all moveable assets of the Company including all moveable plant & machineries, both present and future and mortgage of all immovable properties of Kathwada Unit of the Company.

Schedule : 4
UNSECURED LOANS :

	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Fixed Deposits	717.65	710.39
Deposits from Companies	<u>733.00</u>	<u>951.00</u>
Total	<u>1450.65</u>	<u>1661.39</u>

Schedule : 5
FIXED ASSETS :

(Rupees in Lacs)

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-4-07	Addi- tions	Deduc- tions	As at 31-3-08	Upto 1-4-07	For the year	On deduc- tions	Upto 31-3-08	As at 31-3-08	As at 31-3-07
LAND	0.80	--	--	0.80	--	--	--	--	0.80	0.80
BUILDINGS	955.03	29.61	--	984.64	202.73	29.23	--	231.96	752.68	752.30
PLANT & MACHINERY	7311.02	949.66	--	8260.68	3351.44	288.40	--	3639.84	4620.84	3959.58
FURNITURE & OFFICE EQUIPMENTS	154.64	6.44	--	161.08	109.67	8.09	--	117.76	43.32	44.97
VEHICLES	158.41	107.49	65.50	200.40	65.99	15.62	25.37	56.24	144.16	92.42
AGRICULTURAL EQUIPMENT	0.35	--	--	0.35	0.34	--	--	0.34	0.01	0.01
TOTAL	8580.25	1093.20	65.50	9607.95	3730.17	341.34	25.37	4046.14	5561.81	4850.08
Previous year	6111.85	2586.90	118.50	8580.25	3523.31	288.63	81.77	3730.17	4850.08	--

NOTES :

1. Buildings include:
 - a) Rs.296.23 Lacs (Previous Year Rs. 296.23 Lacs) being cost of ownership premises in a co-operative housing society including cost of shares of the face value of Rs.750/- received under the Bye-laws of the Society in the name of Maize Products Unit of the Company.
 - b) Rs.2.62 Lacs (Previous Year Rs. 2.62 Lacs) paid to M. Vishvasarya Industrial and Research Centre, Bombay as advance rent for premises acquired by the Company on 60 years lease. The proportionate amount of advance rent is written off as depreciation.
 - c) Rs.4.50 Lacs (Previous Year Rs. 4.50 Lacs) being cost of ownership premises in cloth market association including cost of one share of the face value of Rs.100/- received under rules and regulations of the association in the name of the Company.

Schedule : 6
INVESTMENTS (AT COST) :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Long Term Investments :			
In Government Securities (Matured and remained unrealised) (Unquoted)			
6 years National Savings Certificates (Deposited with Government department)		0.10	0.10
Other Investments :			
(Quoted)			
1000 Equity Shares of Rapicut Carbide Ltd., of Rs.10/- each	0.05		0.05
472 Shares of Punjab National Bank of Rs. 10/- each	1.84		1.84
50000 Units of Principal Infrastructure & Services Industries Fund of Rs. 10/- each	--		5.00
48,900 (Previous Year - NIL) Units of Principal PNB Long Term Equity Fund 3 Year Plan - Series II	<u>6.43</u>		--
		8.32	<u>6.89</u>
(Unquoted)			
4500 Equity Shares of Cama Hotels Ltd., of Rs.10/- each	0.58		0.58
2500 Equity Shares of Sterling (Guj.) Hospitals Ltd., of Rs.10/- each	0.25		0.25
1200000 Equity Shares of Sayaji Sethness Ltd., of Rs.10/- each	<u>120.00</u>		<u>120.00</u>
		<u>120.83</u>	<u>120.83</u>
Total		<u>129.25</u>	<u>127.82</u>

	Cost Rs. In Lacs	Market Value Rs. In Lacs
1. Aggregate of quoted Investments	8.32	7.41
Previous Year	(6.89)	(7.98)
2. Aggregate of unquoted Investments	120.93	--
Previous Year	(120.93)	--

Schedule : 7
INVENTORIES :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Stores and Spare Parts	293.24		279.93
Coal and Lignite	<u>46.53</u>		<u>20.71</u>
		339.77	300.64
Stock-in-trade:			
Raw Materials	1104.42		1122.91
Finished Goods	782.79		711.17
Bye Products	152.06		84.73
Process Stock	<u>266.85</u>		<u>326.97</u>
		<u>2306.12</u>	<u>2245.78</u>
Total		<u>2645.89</u>	<u>2546.42</u>



Schedule : 8

SUNDRY DEBTORS :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007, Rupees in Lacs
Unsecured :			
Considered Good :			
Debts outstanding for a period exceeding six months	83.24		24.49
Others	<u>1779.95</u>		<u>1853.28</u>
		1863.19	1877.77
Considered doubtful	143.02		143.91
Less: Provision	<u>7.01</u>		<u>7.01</u>
		<u>136.01</u>	<u>136.90</u>
Total		<u><u>1999.20</u></u>	<u><u>2014.67</u></u>

Schedule : 9

CASH AND BANK BALANCES :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Cash on hand		20.48	11.39
With Scheduled Banks:			
In Current Accounts	30.07		313.31
In Fixed Deposit Accounts (including Rs. 2.96 Lacs against guarantee Given by the bank) (Previous Year Rs.4.86 Lacs)	<u>48.77</u>		<u>30.49</u>
		<u>78.84</u>	<u>343.80</u>
Total		<u><u>99.32</u></u>	<u><u>355.19</u></u>

Schedule : 10

LOANS AND ADVANCES :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Unsecured Considered Good :			
Advances recoverable in cash or in kind or for value to be received		477.24	389.02
Balance with Central Excise Department		84.35	70.04
Advance Income Tax (Net of Taxation Provision)		<u>94.34</u>	<u>111.70</u>
Total		<u><u>655.93</u></u>	<u><u>570.76</u></u>

Schedule : 11

CURRENT LIABILITIES & PROVISIONS :

	Rupees in Lacs	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
Current Liabilities:			
Sundry Creditors (Note No.7 of Schedule 17)	3593.93		2587.93
Unclaimed Dividend*	8.87		7.89
Interest accrued but not due on loans	<u>2.36</u>		<u>0.93</u>
		3605.16	2596.75
Provisions:			
Provision for Employee Benefits	243.01		--
Proposed Dividend	36.00		36.00
Tax on Dividend	<u>6.12</u>		<u>6.12</u>
		<u>285.13</u>	<u>42.12</u>
Total		<u><u>3890.29</u></u>	<u><u>2638.87</u></u>

* To be credited but not due on the Balance Sheet date, towards Investor Education and Protection Fund under section 205C of the Companies Act, 1956.

**Schedule : 12
OTHER INCOME :**

	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
Dividend - From Long Term Investments	18.03	24.05
Miscellaneous Income	5.22	5.33
Export Incentive	87.34	31.46
Sales Tax Refund	2.28	--
Profit on Sale of Investments	1.43	--
Total	<u>114.30</u>	<u>60.84</u>

**Schedule : 13
INCREASE IN STOCK OF FINISHED GOODS AND PROCESS STOCK :**

	Rupees in Lacs	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
Stock as at 31st March, 2008 :			
Finished Goods	782.79		711.17
Bye Products	152.06		84.73
Process Stock	<u>266.85</u>		<u>326.97</u>
		1201.70	1122.87
Less : Stock as at 1st April, 2007 :			
Finished Goods	711.17		402.19
Bye Products	84.73		158.48
Process Stock	<u>326.97</u>		<u>213.35</u>
		<u>1122.87</u>	<u>774.02</u>
Total		<u>78.83</u>	<u>348.85</u>

**Schedule : 14
MANUFACTURING AND OTHER EXPENSES :**

	Rupees in Lacs	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
Raw materials consumed		12409.99	11411.91
Purchases of goods traded in		57.21	46.16
Payments to and Provision for employees:			
Salaries, wages and bonus	1369.60		1270.47
Voluntary Retirement Compensation amortised	8.36		3.03
Contribution to provident and other funds	145.57		132.88
Welfare expenses	<u>137.60</u>		<u>107.20</u>
		1661.13	1513.58
Operational and other expenses :			
Stores and spare parts consumed	2282.85		2078.82
Power and Fuel	2206.08		1822.84
Rent	12.75		13.93
Repairs:			
Buildings	16.88		25.16
Machinery	254.98		244.13
Others	117.30		98.43
Insurance	27.39		35.29
Rates & Taxes	171.55		130.24
Technical Know-How & Services Fees	14.69		14.68
Stationery, Printing, Advertisements, Postage, Telephone etc.	62.45		53.98
Brokerage and Commission (including Rs. 236.53 Lacs paid to Sole Selling Agent) (Previous Year Rs.220.02 Lacs)	301.17		288.00
Sales Expenses	906.66		1063.37
Auditors Remuneration	4.21		5.88
Cost Auditors Remuneration	0.24		0.28
General Charges (including vehicle expenses, conveyance, legal charges; subscription, cash discount, travelling expenses etc.)	362.00		388.28
Loss on Sale of Fixed Assets (Net)	8.24		4.13
Donation	<u>0.12</u>		<u>0.40</u>
		6749.56	6267.84
Directors' Fees	0.57		0.51
Managerial Remuneration	55.84		55.84
Total		<u>20934.30</u>	<u>19295.84</u>



Schedule : 15
INTEREST (NET) :

	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
On Fixed Loans	266.21	236.17
Others (Net of Interest income of Rs. 2.98 Lacs) (Previous Year Rs. 3.11 Lacs)	<u>278.21</u>	<u>193.51</u>
Total	<u>544.42</u>	<u>429.68</u>

Schedule : 16

SIGNIFICANT ACCOUNTING POLICIES :

1. 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.

2. 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.

3. Fixed Assets:

Fixed Assets are stated at cost (Net of Cenvat) 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."

In case of assets acquired on lease, lease rent payable on such assets is charged to the profit and loss account.

4. 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 Profit and Loss Account. The leasing arrangements which are not non cancellable are for period of eleven months or longer.

5 Depreciation :

(a) 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.

(b) Depreciation on Assets purchased/acquired during the year is provided on pro-rata basis according to the period 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.

6. 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.

7. Investments :

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

8. Inventories :

(a) Stores, Spares, Chemicals and Packing materials are valued at weighted average cost.

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

(c) Finished goods are valued at cost (including Excise Duty) or net realisable value whichever is lower. Process Stock is valued at cost. Cost thereof is determined on absorption costing method.

(d) Bye products are valued at net realisable value.

9. 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 profit and loss account.

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 profit and loss account 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.

Schedule : 16 (Contd.)**SIGNIFICANT ACCOUNTING POLICIES :****10. 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.

11. Deferred Revenue Expenditure :

Compensation under the Company's Voluntary Retirement Scheme is being amortised over a period of five years, including the year of payment. The unamortised amount is carried forward as "Miscellaneous Expenditure" in the Balance Sheet.

12. Revenue Recognition :

- a) Sales are net of discounts and returns, Excise Duty and Sales Tax 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.

13. Research and Development :

Revenue expenditure pertaining to Research and Development is charged to the profit and loss account under the respective heads of account in the year in which the same is incurred. Capital expenditure on Research and Development is shown as additions to fixed assets.

14. Foreign Currency Transactions :

Transactions in foreign currency are recorded at the rate on the date of transaction. At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange except in cases where borrowings are covered by forward exchange contracts, the borrowings are reported at the contracted rate. Exchange difference arising on Foreign Currency Transactions are recognised as income or expense of the period in which they arise except in cases where they relate to acquisition of Fixed Assets, in which case they are adjusted to carrying cost of Fixed Assets.

15. Taxes on Income :

Income tax expense for the year comprises of current tax, deferred tax and fringe benefit 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. Deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

16. 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.

Schedule : 17**NOTES FORMING PART OF ACCOUNTS :**

	Rupees in Lacs	As at 31-3-2007 Rupees in Lacs
1. Corresponding figures of the previous year have been re-grouped to make them comparable with the figures of the current year wherever necessary.		
2. Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	30.29	69.85
3. Contingent liabilities not provided for :		
a) Bills discounted but not matured	387.12	232.03
b) Guarantees given by the Bankers on behalf of the Company.	2.56	4.46
c) Demand of Central Excise Department for Excise Duty, which the Company has not admitted and has appealed against.	763.56	178.97
d) Disputed demand of Income tax as the Company expects to Succeed in the appeal.	2.34	2.34
4. No provision has been made for Book Debts considered doubtful of recovery	136.01	136.90
5. 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 Rates & Taxes in Schedule 14 "Manufacturing and other Expenses".		
6. 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		



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

7. Sundry Creditors in Schedule 11 include Rs.5.83 Lacs (Previous Year Rs. 3.80 Lacs) due to Small Scale Industrial Undertakings (SSIs) and SSIs to whom amount is outstanding for more than 30 days are as under:

S.No.	Name of the Undertaking	S.No.	Name of the Undertaking
1	Chandra Engineering Works	5	Mahalaxmi Rubber & Engineering
2	Dairy Mashkin Fabrik	6	Pooja Agencies
3	Dharmjyot Engrs & Fabrics Pvt. Ltd.	7	Rotofluid System

8. In the absence of any intimation from vendors regarding the status of their registration under the "Micro, Small and Medium Enterprises Development Act, 2006", the Company is unable to comply with the disclosures required to be made under the Act.

9. Deferred tax:

The components of deferred tax liability (net) are as follows

Particulars	As at	As at
	31-3-2008	31-3-2007
	Rupees	Rupees
	in Lacs	in Lacs
Deferred Tax Liability		
Depreciation	(729.88)	644.10
Deferred Tax Assets		
Unabsorbed Depreciation	157.69	127.49
Disallowance u/s. 43 B of the Income Tax Act, 1961	2.43	--
Deferred Tax Asset / (liability) (Net)	(569.76)	(516.61)
Deferred Tax Asset of earlier years	80.17	--
Deferred Tax Asset /(liability) (Net)	(489.59)	(516.61)

10 Employee Benefits

a) Hitherto the Company was accounting the provision for the employee retirement benefits as per the Accounting Standard 15 "Accounting for Retirement Benefits". During the year, the Company has undertaken adoption of the Accounting Standard 15 (Revised 2005) "Employee Benefits".

Accordingly, the Company has made a provision for certain defined employee benefit plans aggregating to Rs.67.40 Lacs. Further in accordance with the transitional provision in the revised Accounting Standard, Rs.155.70 Lacs (net of Tax Rs.80.17 Lacs) has been adjusted to the General Reserves.

b) Defined Benefit Plans

Particulars	(Rs. in Lacs)	
	Gratuity	Leave Encashment
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2008		
Current Service cost	22.46	8.51
Interest Cost	43.68	5.49
Expected return on plan assets	33.61	--
Net actuarial losses (gains)	20.39	0.48
Total Expenses	52.92	14.48

Particulars	(Rs. in Lacs)	
	Gratuity	Leave Encashment
ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2007	545.97	70.33
Service cost	22.46	8.51
Interest cost	43.68	5.49
Actuarial losses (gains)	20.39	0.48
Losses (gains) on curtailments	--	--
Liabilities extinguished on settlements	--	--
Benefits paid	(51.92)	(7.33)
Closing defined benefit obligation as at March 31, 2008	580.58	77.48

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

Particulars	(Rs. In Lacs)	
	Gratuity	Leave Encashment
iii. Reconciliation of Opening and Closing balances		
of changes in fair value of the assets		
Opening fair value of plan assets as at April 1, 2007	377.08	--
Expected return on plan assets	33.61	--
Actuarial gains and (losses)	--	--
Assets distributed on settlements	--	--
Contributions by employer	56.28	--
Benefits paid	51.92	
Closing balance of fair value of plan assets as At March 31, 2008.	415.05	--
iv. Net Liability recognized in the Balance Sheet as at March 31, 2008		
Defined Benefit Obligation as at March 31, 2008	580.58	77.48
Fair Value of plan assets as at March 31, 2008	415.05	--
Present Value of unfounded obligation recognized as liability as at March 31, 2008	165.53	77.48
v. Actual Return on Plan Assets	--	--
vi. Actuarial Assumptions	As at 31st March, 2008	
Discount Rate	8%	
Expected rate of return on plan assets	8%	
Expected rate of salary increase	5%	
Mortality	LIC 1994-96 ultimate tables	
Withdrawal Rates	3%	
Retirement Age	60 Years	
Actuarial Valuation Method	Projected unit credit method	

c) Defined Contribution Plans.

Rs.99.79 Lacs recognized as an expense and included in the Schedule 17 of Profit and Loss Account under the head "Contribution to Provident and other funds".

As this is the first year of implementation of AS - 15 (Revised 2005), necessary disclosures for the previous year and for the preceding three years have not been made.

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

	Rupees in Lacs	Previous Year 2006-2007 Rupees in Lacs
12. Profit & Loss account includes :		
i. Auditors Remuneration :		
a) Audit Fee	2.00	2.00
b) Taxation matters	1.53	2.68
c) Tax Audit Fee	0.50	0.50
d) Other Services	0.17	0.64
e) Out of Pocket Expenses	<u>0.01</u>	<u>0.06</u>
	4.21	5.88
ii. Managerial Remuneration :		
a) Remuneration to the Managing Directors :		
Salary	42.24	42.24
Contribution to Provident & Other funds	13.44	13.44
Perquisites in Cash	<u>0.16</u>	<u>0.16</u>
	55.84	55.84
b) Estimated monetary value of perquisites evaluated as per Income Tax Rules	4.22	4.22



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

13. Quantitative Information :

(a) Licenced and Installed Capacity and Production :

	Licenced Capacity* M.T.	Installed Capacity** M.T.	Production meant for Sales M.T.
Starches	N.A.	85,000	45,219
		(85,000)	(38,512)
Process Foods	N.A.	74,000	50,687
		(74,000)	(53,719)
Drugs & Pharmaceuticals	N.A.	6,000	5,310
		(6,000)	(4,482)

* As per the existing Industrial Policy of the Govt. of India, no Licensing is required for the Company's Products.

** As certified by the Technical Manager and accepted by the Auditors being technical matter.

(b) Stock and Sales :

Class of Goods	Stock at Commencement		Stock at Close		Sales	
	M.T.	Rupees in Lacs	M.T.	Rupees in Lacs	M.T.	Rupees in Lacs
Starches	3246	455.04	3224	442.96	45241	7027.13
	(1208)	(147.29)	(3246)	(455.04)	(36474)	(5778.48)
Processed Foods	1257	249.84	1595	313.42	50533	9246.92
	(1321)	(219.51)	(1257)	(249.84)	(53844)	(9404.26)
Drugs & Pharmaceuticals	21	6.29	81	23.89	5250	1703.64
	(142)	(35.40)	(21)	(6.29)	(4603)	(1281.72)
Bye Products & Others		84.73		154.58		3823.56
		(158.47)		(84.73)		(3315.60)
Total		<u>795.90</u>		<u>934.85</u>		<u>21801.25</u>
		(560.67)		(795.90)		(19780.06)

* Includes turnover of trading goods.

(c) Purchase of Finished Goods :

	M.T.	Rupees in lacs
Sorbitol	184	38.11
	(61)	(20.49)
Others		19.10
		(25.67)
Total		<u>57.21</u>
		(46.16)

(d) I) Break up of Raw Materials Consumed:

	M.T.	Rupees in lacs
Maize	152230	12354.08
	(145510)	(11220.85)
Maize Starch	--	--
	(601)	(89.20)
Dextrose	--	--
	(198)	(42.43)
Others		55.91
		(59.43)
Total		<u>12409.99</u>
		(11411.91)

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

II) Details of Imported Materials:

		Rupees in Lacs	
a) C.I.F.Value of Imported Materials:			
i) Stores, Spare parts & Chemicals			176.65 (180.21)
ii) Machineries			39.23 (12.78)
b) Consumption :			
	Raw Materials	Stores, Spares & Chemicals	
	Rupees	Rupees	
	in Lacs	in Lacs	%
1. Imported	--	229.27	10.04
	(--)	(237.34)	(11.42)
2. Indigenous	12409.99	2053.58	89.96
	(11411.91)	(1841.48)	(88.58)
Total	<u>12409.99</u>	<u>2282.85</u>	<u>100.00</u>
	<u>(11411.91)</u>	<u>(2078.82)</u>	<u>(100.00)</u>

(III) Particulars regarding Foreign Exchange :

		Rupees in Lacs
a) Expenditure on accrual basis in foreign currency:		
1) Travelling		9.54 (13.10)
2) Subscription for periodicals		0.05 (0.05)
3) Technical Know-how & Service Fees		14.69 (14.68)
4) Commission		4.74 (16.89)
5) Overseas Office Expenses		23.32 (24.11)
b) Earnings in foreign currency:		
FOB Value of Exports		4161.83 (4869.82)

(Figures in brackets are of Previous Year)

14. 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.,
Priyam Commercial Enterprises (Pvt.) Ltd.,
Bini Commercial Enterprises (Pvt.) Ltd.,
N.B. Commercial Enterprises (Pvt.) Ltd.,
Viva Tex Chem Pvt. Ltd.
Malkauns Trading Pvt. Ltd.,
Varun Travels (Pvt.) Ltd.,

Key Managerial Personnel :

Shri Bipin V. Mehta
Shri Priyam B. Mehta

Relatives of Key Managerial Personnel :

Smt. Sujata P. Mehta
Dr. Biharilal Kanaiyalal
Smt. Mrudulaben Biharilal



SCHEDULES

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

(B) Related Party Transactions and Balances :

(Rs.In Lacs)

Transactions	Associate Companies	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Sale of Goods	255.01	--	--	255.01
	(187.90)	(--)	(--)	(187.90)
Purchase of Goods	355.89	--	--	355.89
	(25.49)	(--)	(--)	(25.49)
Interest paid on Deposits	81.68	--	6.77	88.45
	(82.16)	(--)	(3.55)	(85.71)
Remuneration	--	60.06	--	60.06
	(--)	(60.06)	(--)	(60.06)
Reimbursement of expenses	7.68	--	--	7.68
	(6.31)	(--)	(--)	(6.31)
Services Received	22.19	--	--	22.19
	(39.97)	(--)	(--)	(39.97)
Rent Received	2.53	--	--	2.53
	(2.53)	(--)	(--)	(2.53)
Debit Balances outstanding as on 31.03.2008	19.35	--	--	19.35
	(9.97)	(--)	(--)	(9.97)
Credit Balances outstanding as on 31.03.2008	734.54	--	72.07	806.61
	(954.03)	(--)	(72.07)	(1026.10)

(Figures in brackets are of Previous Year)

15. Earning per Share :

	2007-2008	2006-2007
a) Weighted average number of equity shares of Rs.100/- each.		
Number of Shares at the beginning and at the end of the year	60,000	60,000
Weighted average number of equity shares outstanding during the year	60,000	60,000
b) Net Profit after tax available for Equity Shareholders (Rs. in Lacs)	87.17	92.60
c) Basic and diluted Earnings Per Share (Rupees)	145.28	154.33

16. 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.
- b) The information on derivative instruments as on March 31, 2008 is as follows:

Hedged Exposures

	No. of Contracts	Foreign Currency Amount	Reporting Currency Amount
Forward cover for export receivables	7	US \$ 448,760	Rs. 1,78,87,658/-
Forward cover for import receivables	--	--	--

Unhedged Exposures

	Foreign Currency Amount	Reporting Currency Amount
Accounts Receivable	US \$ 1341130	Rs. 5,38,69,482/-

As per our attached Report of even date

For C.C.Chokshi & Co.,
Chartered Accountants

Biharilal Kanaiyalal
Chairman

B. V. Mehta
Managing Director

P. B. Mehta
Managing Director

D. G. Patel
Director

V. P. Mehta
Director

M.N. Shah
Director

H. P. Shah
Partner

N. J. Deora
Manager (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 27th June, 2008.

Ahmedabad
Date: 27th June, 2008.

15. **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :**

I. Registration Details :

Registration No. 00471/TA State Code 04
Balance Sheet date 31st March, 2008

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Nil Right Issue Nil
Bonus Issue Nil Private Placement Nil

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	749646	Total Assets	749646
Paid-up Capital	6000	Net Fixed Assets	584808
Reserves & Surplus	202900	Investments	12925
Secured Loans	352722	Net Current Assets	151005
Unsecured Loans	145065	Miscellaneous Expenditure	908
Deferred Tax Liability	48959	Accumulated Losses	Nil

IV Performance of Company (Amount in Rs. Thousands)

Turnover	2180125	Total Expenditure	2182006
Profit Before Tax	17432	Profit After Tax	8717
Earning per Share in Rs.	145.28	Dividend Rate %	60

V. Generic Names of three Principal Products of the Company. (As per monetary terms)

	<u>Item Code No.</u>	<u>Product Description</u>
i)	1108.12.00	Maize Starch Powder
ii)	1702.30.01	Liquid Glucose
iii)	2905.44.00	Sorbitol

SIGNATURE TO SCHEDULE 1 TO 17

Biharilal Kanaiyalal
Chairman

B. V. Mehta
Managing Director

P. B. Mehta
Managing Director

D. G. Patel
Director

V. P. Mehta
Director

M.N. Shah
Director

N. J. Deora
Manager (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 27th June, 2008.





SAYAJI INDUSTRIES LIMITED

Registered Office :
P.O. Kathwada-Maize Products, Ahmedabad-382 430.

PROXY FROM

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 67th Annual General Meeting of the Company to be held on **Friday,**
22nd August, 2008 and at any adjournment thereof.

Signed this _____ day of _____ 2008

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 :

સમય : સાંજે ૪-૩૦ વાગે

સ્થળ : ભૂરીબા લલ્લુભાઈ મહેતા પ્રાઈમરી સ્કુલ, મેઈઝ પ્રોડક્ટ્સ પાસે, અમદાવાદ-૩૮૨ ૪૩૦.

૧. શેરહોલ્ડર સાહેબો માટે શુક્રવાર ૨૨-૮-૨૦૦૮ ના રોજ બોલાવેલ ૬૭મી વાર્ષિક સામાન્ય સભામાં હાજરી આપવા માટે બસની વ્યવસ્થા કરવામાં આવી છે. બસ માત્ર સારંગપુર દરવાજા, અમદાવાદથી બપોરના ૩-૪૦ વાગે ઉપડશે.
૨. સભામાં હાજરી આપવા આવનાર શેર/પ્રોક્ષી હોલ્ડરને વાર્ષિક અહેવાલની નકલ સાથે લાવવા વિનંતી છે. પેપર અને પ્રિન્ટીંગ 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.
૩. આ પ્રવેશ પત્ર 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 બીજા શેર હોલ્ડર તથા બાળકોને કોઈપણ સંજોગોમાં સભામાં પ્રવેશ આપવામાં આવશે નહીં તેની સભાસદોએ નોંધ લેવી.

ફોલીઓ નં./

શેરની સંખ્યા

હાજર રહેનાર શેર/પ્રોક્ષી હોલ્ડરની સહી

બેનીફિશીએરી A/c. નં. :



सत्यमेव जयते



भारत सरकार
GOVERNMENT OF INDIA
वाणिज्य एवं उद्योग मंत्रालय
MINISTRY OF COMMERCE & INDUSTRY
कार्यालय, संयुक्त महानिदेशक, विदेश व्यापार
OFFICE OF THE JOINT DIRECTOR GENERAL OF FOREIGN TRADE
मान्यता प्रमाण पत्र

Certificate of Recognition
एक स्टार निर्यात सदन
ONE STAR EXPORT HOUSE CERTIFICATE

मैसर्स

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

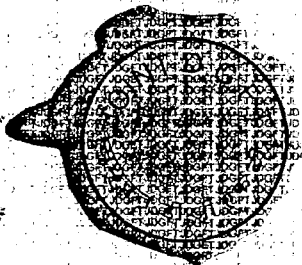
M/S RAJEEV PRODUCTS, A DIVISION OF RAJAJI INDUSTRIES LIMITED,
P.O. KATHWAR, AMBEDKAR - 382430.

(IEC No. 0888000852 and Income Tax PAN
NO. AAD0080314) are hereby accorded the status of One Star
Export House in accordance with the provisions of the Foreign
Trade Policy, 2004-09. This Certificate is valid for a period of
120 years effective from 1st April, 2007 to 31st
March, 2009,

सं०
No A- 002489

तारीख
Date 26.07.2007

स्थान
Place AMBEDKAR



(A.N. NIGRA)
संयुक्त महानिदेशक, विदेश व्यापार
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(फाइल सं./FILE NO. 08/75/105/00030/AM06



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