

**68<sup>th</sup>**

**ANNUAL REPORT**

**2008-2009**



**SAYAJI INDUSTRIES LIMITED**

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## **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 68th Annual General Meeting of the shareholders of the Company will be held on Wednesday, the 30th day of September, 2009 at 9.30 a.m. at the Registered Office of the Company at P.O. Kathwada, Ahmedabad- 382 430 to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009, 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 Shri Dashrathbhai G. Patel, 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 reappointment.
4. To appoint a Director in place of Shri Vishvajitbhai M. Mehta, 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 reappointment.
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.

Place : Ahmedabd  
Date : 27th July, 2009.

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 Wednesday, the 23rd September, 2009 to Wednesday, the 30th September, 2009 (both days inclusive).
3. The Dividend on shares, if sanctioned by the Annual General Meeting, will be payable at specified Branches of UTI Bank Limited, in India from 7th October, 2009, 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 22nd September, 2009. 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, 2002 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 19th September, 2002. Members are requested to make their claim to the Company for unclaimed/unpaid dividend for the year 2001-2002 before 19th September, 2002.  
  
Members who have not yet encashed their dividend warrant (s) for the financial year ended on 31st March, 2003 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.

To

**THE SHAREHOLDERS,**

Your Directors have pleasure in presenting the 68th Annual Report together with Audited Statements of Accounts of the Company for the financial year ended 31st March, 2009.

**FINANCIAL RESULTS :**

|   | 2008-2009<br>(Rs. In Lacs) | 2007-2008<br>(Rs. In Lacs) |
|---|----------------------------|----------------------------|
| Sales   | 26626.15                   | 24017.39                   |
| Operating Profit before Interest, Depreciation and Taxation | <b>1080.08</b>             | 1060.08                    |
| Less : Interest   | <u>534.87</u>              | <u>544.42</u>              |
| <b>Gross Profit</b>   | <b>545.21</b>              | 515.66                     |
| Less: Depreciation  | <u>388.08</u>              | <u>341.34</u>              |
| <b>Profit before Tax</b>                                    | <b>157.13</b>              | 174.32                     |
| Less : Current Taxation                                     | <b>19.00</b>               | 21.00                      |
| Fringe Benefit Tax  | <b>13.50</b>               | 13.00                      |
| Provision for Deferred Tax                                  | <u>52.24</u>               | <u>53.15</u>               |
| <b>Net Profit for the year</b>                              | <b>72.39</b>               | 87.17                      |
| Add: Balance brought forward from previous year             | <u>97.47</u>               | <u>102.42</u>              |
| <b>Amount available for Appropriation</b>                   | <b>169.86</b>              | 189.59                     |
| <b>Appropriations:</b>                                      |                            |                            |
| Transfer to General Reserve                                 | <b>50.00</b>               | <b>50.00</b>               |
| Proposed Dividend on Equity Shares                          | <b>36.00</b>               | 36.00                      |
| Tax on Dividend   | <u>6.12</u>                | <u>6.12</u>                |
| Balance carried forward to Balance Sheet                    | <u>77.74</u>               | <u>97.47</u>               |
|   | <b>169.86</b>              | <b>189.59</b>              |

**YEAR IN RETROSPECT :**

During the year under review, your company has achieved a higher turnover of Rs.26626.15 Lacs as compared to Rs.24017.39 Lacs in previous year. This is due to marginal increase in the activity and also due to better realization of finished products prices. There has been a steep increase in all input cost during the year under review. However, by adopting stringent cost cutting measures, your company has been able to maintain its operating profit at Rs.1080.08 Lacs as against Rs.1060.68 Lacs in the previous year. Net profit during the year, however has been slightly reduced to Rs.72.39 Lacs as against Rs.87.17 Lacs in the previous year due to higher impact of depreciation. Efforts to improve performance in all technical areas continued during the year under review.

**FUTURE OUTLOOK :**

Your directors are of the opinion that there would be increase in the cost of all inputs including maize, lignite, coal, chemicals, packing etc. during the current year due to big deficiency of rain in all parts of India. 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 to maintain its profitability.

**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, 2009, 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 22nd September, 2009.

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. During the year under review, the export turnover of your company showed a marked increase of 49.87% to Rs.6656.10 Lacs as compared to Rs.4441.17 Lacs in the previous year. Your company is having a cautious approach towards the exports keeping in mind the fluctuation in the Exchange Rate. 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.

**PUBLIC DEPOSITS :**

Deposits totaling Rs.7.66 Lacs due for repayment on or before 31st March, 2009 were not claimed by the depositors on that date. As on the date of this report, deposits aggregating Rs.0.30 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, Shri Dashrathbhai G. Patel and Shri Vishvajitbhai M. Mehta, 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 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 31st March, 2009 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 extending financial assistance 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 July, 2009

**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, 2009.

### A. Conservation of Energy :

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

- I. 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. Water pumps with conventional design working on cooling towers in various departments were replaced by highly energy efficient pumps.
  2. Remaining work of replacement of barometric condensers in place of water jet ejectors was completed during the year under review.
  3. Conventional gear boxes and motors consuming high power were replaced by efficient gear boxes.
  4. Higher capacity reactor vessels were installed.
  5. Existing triple effect evaporator which was working with barometric condenser was modified and revamped and put into operation with surface condenser

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

1. The company is planning to start gas engine to generate power from bio-gas which will result into lesser utilization of grid power where conventional fuel is being consumed.
2. The company is planning to generate steam from waste heat of bio-gas engine which will help to reduce fuel consumption in existing boiler and eventually reduce power consumption.
3. The company is considering a proposal of utilizing bio-gas in shuttle furnace in place of electricity which will stop consumption of power totally in furnace.
4. The company is considering usage of alternate sources of water in the process which would help reducing consumption of water from bore-well.

#### (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:

|                                      |             | 2008-2009 | 2007-2008 |
|--------------------------------------|-------------|-----------|-----------|
| <b>1. Electricity</b>                |             |           |           |
| a) Purchased                         |             |           |           |
| Units                                | 000 Kwh     | 11364     | 11366     |
| Total amount                         | Rs. In Lacs | 606.43    | 520.44    |
| Rate/Unit                            | Rs.         | 5.34      | 4.58      |
| b) Own Generation                    |             |           |           |
| (i) Through Diesel Generator         |             |           |           |
| Units                                | 000 Kwh     | 25        | 37        |
| Unit per ltr. of diesel oil          | Kwh         | 2.08      | 2.10      |
| Cost/Unit                            | Rs.         | 36.33     | 31.59     |
| (ii) Through steam turbine/generator |             |           |           |
| Units                                | 000 Kwh     | 22836     | 23305     |
| <b>2. Coal</b>                       |             |           |           |
| Quantity                             | 000 tons    | 75        | 72        |
| Total cost                           | Rs. In Lacs | 2493.91   | 1678.67   |
| Average rate                         | Rs./Ton     | 3329      | 2345      |
| <b>3. Furnace Oil</b>                |             |           |           |
| Quantity                             | K. Ltrs.    | 0         | 0         |
| Total amount                         | Rs. In Lacs | 0         | 0         |
| Average rate                         | Rs./Ltr.    | 0         | 0         |
| <b>4. Diesel Oil</b>                 |             |           |           |
| Quantity                             | K. Ltrs.    | 12        | 17        |
| Total amount                         | Rs. In Lacs | 4.56      | 6.13      |
| Average rate                         | Rs./Ltr.    | 38.47     | 35.21     |
| <b>5. Others</b>                     |             |           |           |
| Not Applicable                       |             |           |           |



**(B) Consumption per unit of production.**

|             |       | Standards | 2008-2009 | 2007-2008 |
|-------------|-------|-----------|-----------|-----------|
| Electricity | Kwh   | --        | 352       | 348       |
| Furnace Oil | Ltrs. | --        | 0         | 0         |
| Diesel      | Ltrs. | --        | 0.12      | 0.17      |
| Coal        | M.T.  | --        | 0.62      | 0.72      |
| 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 at various stages in reverse osmosis plant to improve quality of water.
- b. Efforts have been made to produce more syrup in high pressure reaction vessel to bring down processing / manufacturing cost of final product.

**2. Benefits derived as a result of R & D:**

- a. The company has been able to reduce labour, minimize consumption of chemical with higher efficiency and higher productivity. This has also resulted in achieving high standard of quality of final product.
- b. R & D efforts in R.O. plant has helped in reduction of chemicals and also improved final quality of water.

**3. Future plan of action:**

- a. To introduce and adopt new technology and thereby adding more such machineries whereby power consumption is reduced at various stages of production processes.
- b. To introduce new machineries and systems that would help the company to achieve standard quality of finished product in-house so that dependence on outside job-work is reduced.

**4. Expenditure on R & D:**

|  |               |
|--|---------------|
| (a) Capital  | Rs. 0.31 Lacs |
| (b) Recurring  | Rs. 25.54Lacs |
| (c) Total  | Rs. 25.85Lacs |
| (d) Total R & D expenditure as a percentage of total turnover. | 0.10%         |

**Technology Absorption, Adaptation & Innovation :**

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

The company has adopted new technology in bulk powder packing in some of the departments which has resulted in savings of manpower and improved the output.

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

The aforesaid efforts have resulted in cost reduction, higher output with better efficiency to meet the requirement of international market.

**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 therefore 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. 12 (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, 2009 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, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 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. 137.62 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, 2009;
    - (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 July, 2009



## 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, 2009)

- 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 six companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs. 1138 lacs and the year end balance of the loans taken from the companies was Rs. 1138 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, 2009 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, 2009, which have not been deposited as on March 31, 2009 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                        |
| 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

H. P. Shah  
Partner  
Membership No. 33331

Place : Ahmedabad  
Date : 27th July, 2009



**SAYAJI INDUSTRIES LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH, 2009.**

|  | Schedule | Rupees<br>in Lacs | Rupees<br>in Lacs     | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|--|----------|-------------------|-----------------------|---|
| <b>I. SOURCE OF FUNDS :</b>  |          |                   |                       |   |
| <b>1. SHAREHOLDERS' FUNDS</b>  |          |                   |                       |   |
| a) Share Capital   | 1        | 60.00             |                       | 60.00                                   |
| b) Reserves & Surplus  | 2        | <u>1999.27</u>    | 2059.27               | <u>1969.00</u><br>2029.00               |
| <b>2. LOAN FUNDS</b>   |          |                   |                       |   |
| a) Secured Loans   | 3        | 3607.56           |                       | 3527.22                                 |
| b) Unsecured Loans   | 4        | <u>1840.73</u>    | 5448.29               | <u>1450.65</u><br>4977.87               |
| <b>3. DEFERRED TAX LIABILITY</b><br>(Note No.8 of Schedule 17)                     |          |                   |                       |   |
|  |          |                   | <u>541.83</u>         | 489.59                                  |
| Total  |          |                   | <u><u>8049.39</u></u> | <u><u>7496.46</u></u>                   |
| <b>II. APPLICATION OF FUNDS :</b>  |          |                   |                       |   |
| <b>1. FIXED ASSETS</b>   |          |                   |                       |   |
| a) Gross Block   | 5        | 10112.17          |                       | 9607.95                                 |
| b) Less: Depreciation  |          | <u>4383.62</u>    |                       | <u>4046.14</u>                          |
| c) Net Block   |          | <u>5728.55</u>    |                       | <u>5561.81</u>                          |
| d) Capital work in progress  |          | <u>708.44</u>     |                       | <u>286.27</u>                           |
|  |          |                   | 6436.99               | 5848.08                                 |
| <b>2. INVESTMENTS</b>  |          |                   |                       |   |
|  | 6        |                   | 129.25                | 129.25                                  |
| <b>3. CURRENT ASSETS, LOANS &amp; ADVANCES</b>                                     |          |                   |                       |   |
| a) Inventories   | 7        | 2355.61           |                       | 2645.89                                 |
| b) Sundry Debtors  | 8        | 2159.38           |                       | 1999.20                                 |
| c) Cash and Bank Balances  | 9        | 106.92            |                       | 99.32                                   |
| d) Loans and Advances  | 10       | <u>589.39</u>     |                       | <u>655.93</u>                           |
|  |          | <u>5211.30</u>    |                       | <u>5400.34</u>                          |
| Less: Current Liabilities and Provisions   | 11       | <u>3734.20</u>    |                       | <u>3890.29</u>                          |
| Net Current Assets   |          |                   | 1477.10               | 1510.05                                 |
| <b>4. Miscellaneous Expenditure</b><br>(To the extent not written off or adjusted) |          |                   |                       |   |
| Voluntary Retirement Compensation  |          |                   | 6.05                  | 9.08                                    |
| Total  |          |                   | <u><u>8049.39</u></u> | <u><u>7496.46</u></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

**P. B. Mehta**  
Managing Director

**M. N. Shah**  
Director

**V.M. Mehta**  
Director

**V.P. Mehta**  
Director

**H. P. Shah**  
Partner

**N. J. Deora**  
Manager (Accounts)

**Rajesh H. Shah**  
Company Secretary

Ahmedabad  
Date : 27th July, 2009.

Ahmedabad  
Date: 27th July, 2009.

**SAYAJI INDUSTRIES LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009.**

|   | Schedule | Rupees<br>in Lacs | Rupees<br>in Lacs | Previous Year<br>2007-2008<br>Rupees<br>in Lacs |
|---|----------|-------------------|-------------------|---|
| <b>INCOME :</b>   |          |                   |                   |   |
| Sales   |          | 26626.15          |                   | 24017.39  |
| Less: Excise Duty & Sales Tax                               |          | <u>1811.75</u>    |                   | <u>2128.80</u>                                  |
| Net Sales   |          |                   | 24814.40          | 21888.59  |
| Other Income  | 12       |                   | 43.25             | 26.96   |
| Increase in stock of Finished Goods and Process Stock       | 13       |                   | <u>219.56</u>     | <u>78.83</u>                                    |
|   |          |                   | <u>25077.21</u>   | <u>21994.38</u>                                 |
| <b>EXPENDITURE :</b>  |          |                   |                   |   |
| Manufacturing and Other Expenses                            | 14       | 23997.13          |                   | 20934.30  |
| Depreciation  |          | 388.08            |                   | 341.34  |
| Interest  | 15       | <u>534.87</u>     |                   | <u>544.42</u>                                   |
|   |          |                   | <u>24920.08</u>   | <u>21820.06</u>                                 |
| Profit for the year before Tax                              |          |                   | 157.13            | 174.32  |
| Provision for Tax   |          |                   |                   |   |
| Current Tax (Including Wealth Tax)                          |          | 19.00             |                   | 21.00   |
| Deferred Tax (Note No.8 of Schedule 17)                     |          | 52.24             |                   | 53.15   |
| Fringe Benefit Tax  |          | <u>13.50</u>      |                   | <u>13.00</u>                                    |
|   |          |                   | <u>84.74</u>      | <u>87.15</u>                                    |
| Profit for the year after Tax                               |          |                   | 72.39             | 87.17   |
| Balance brought forward from previous year                  |          |                   | <u>97.47</u>      | <u>102.42</u>                                   |
| Amount available for Appropriations.                        |          |                   | <u>169.86</u>     | <u>189.59</u>                                   |
| <b>APPROPRIATIONS :</b>                                     |          |                   |                   |   |
| Transfer to General Reserve                                 |          | 50.00             |                   | 50.00   |
| Dividend :  |          |                   |                   |   |
| Proposed Dividend   |          | 36.00             |                   | 36.00   |
| Tax on Dividend   |          | <u>6.12</u>       |                   | <u>6.12</u>                                     |
|   |          |                   | 42.12             | 42.12   |
| Balance carried to Balance Sheet                            |          |                   | <u>77.74</u>      | <u>97.47</u>                                    |
|   | Total    |                   | <u>169.86</u>     | <u>189.59</u>                                   |
| Basic and Diluted EPS (Note No.14 of Schedule 17) in Rupees |          |                   | 120.65            | 145.28  |
| 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

**P. B. Mehta**  
Managing Director

**M. N. Shah**  
Director

**V.M. Mehta**  
Director

**V.P. Mehta**  
Director

**H. P. Shah**  
Partner

**N. J. Deora**  
Manager (Accounts)

**Rajesh H. Shah**  
Company Secretary

Ahmedabad  
Date : 27th July, 2009.

Ahmedabad  
Date: 27th July, 2009.

**PROFIT AND LOSS ACCOUNT**



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

|   | Year ended<br>31st March, 2009 |                   | Year ended<br>31st March, 2008 |                   |
|---|--------------------------------|-------------------|--------------------------------|-------------------|
|   | Rupees<br>in Lacs              | Rupees<br>in Lacs | Rupees<br>in Lacs              | Rupees<br>in Lacs |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>   |                                |                   |                                |                   |
| Net profit before tax   |                                | 157.13            |                                | 174.32            |
| <b>ADJUSTMENT FOR :</b>   |                                |                   |                                |                   |
| Depreciation  | 388.08                         |                   | 341.34                         |                   |
| Interest Expenses   | 534.87                         |                   | 544.42                         |                   |
| Dividend  | (18.07)                        |                   | (18.03)                        |                   |
| Profit / Loss on sale of Fixed Assets   | (18.37)                        |                   | 8.24                           |                   |
| Profit on Sale of Investment  | --                             |                   | (1.43)                         |                   |
|   |                                | <u>886.51</u>     |                                | <u>874.54</u>     |
| Operating profit before working capital changes   |                                | 1043.64           |                                | 1048.86           |
| <b>ADJUSTMENT FOR :</b>   |                                |                   |                                |                   |
| Trade and Other Receivables   | (56.23)                        |                   | (53.07)                        |                   |
| Inventories   | 290.28                         |                   | (99.47)                        |                   |
| Trade Payables  | (190.70)                       |                   | 979.20                         |                   |
|   |                                | <u>43.35</u>      |                                | <u>826.66</u>     |
| Cash Generated From Operations  |                                | 1086.99           |                                | 1875.52           |
| (Increase) / Decrease in Misc. Expenses   |                                | 3.03              |                                | 3.03              |
| Taxes paid  |                                | (37.41)           |                                | (16.63)           |
| <b>NET CASH FROM OPERATING ACTIVITIES</b>   |                                | <u>1052.61</u>    |                                | <u>1861.92</u>    |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>   |                                |                   |                                |                   |
| Purchase of Fixed Assets  | (1008.97)                      |                   | (1146.90)                      |                   |
| Sale of Fixed Assets  | 50.35                          |                   | 31.89                          |                   |
| Sale of Investment  | --                             |                   | 6.43                           |                   |
| Purchase of Investment  | --                             |                   | (6.43)                         |                   |
| Dividend Received   | 18.07                          |                   | 18.03                          |                   |
| Net Cash From Investing Activities  |                                | (940.55)          |                                | (1096.98)         |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>   |                                |                   |                                |                   |
| Proceeds/(repayment) from Long Term Borrowings  | 470.43                         |                   | (436.63)                       |                   |
| Interest Paid (Net of interest received - Rs. 2.98 Lacs)<br>(Previous Year - Rs. 3.11 Lacs) | (532.76)                       |                   | (542.06)                       |                   |
| Dividend & Tax thereon paid   | (42.12)                        |                   | (41.05)                        |                   |
| <b>Net Cash Generated in Financing Activities</b>   |                                | <u>(104.46)</u>   |                                | <u>(1020.81)</u>  |
| <b>Net Changes in Cash &amp; Cash Equivalents (A-B-C)</b>                                   |                                | 7.60              |                                | (255.87)          |
| Add: Cash and Cash Equivalents at the beginning of the year                                 |                                | 99.32             |                                | 355.19            |
| <b>Cash and Cash Equivalents at the end of the year</b>                                     |                                | <u>106.92</u>     |                                | <u>99.32</u>      |

As per our attached Report of even date

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

**Biharilal Kanaiyalal**  
Chairman

**P. B. Mehta**  
Managing Director

**M. N. Shah**  
Director

**V.M. Mehta**  
Director

**V.P. Mehta**  
Director

**H. P. Shah**  
Partner

**N. J. Deora**  
Manager (Accounts)

**Rajesh H. Shah**  
Company Secretary

Ahmedabad  
Date : 27th July, 2009.

Ahmedabad  
Date: 27th July, 2009.

**Schedule : 1  
SHARE CAPITAL :**

**Authorised :**

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

Total

Rupees  
in Lacs  
200.00  
200.00

As at  
31-3-2008  
Rupees  
in Lacs  
200.00  
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  
31-3-2008  
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

1815.15

1920.84

Less : Adjustment on account of Transitional provisions under Accounting Standard 15 "Employee Benefits" (Net of Tax) (Refer Note No.9 of Schedule 17)

--  
1815.15

155.69  
1765.15

Add: Transfer from Profit & Loss Account

50.00

50.00

**Balance of Profit & Loss Account**

1865.15

1815.15

77.74

97.47

Total

1999.27

1969.00

**Schedule : 3**

**SECURED LOANS :**

From Banks :

Term Loans\*

Working Capital Loans\*\*

Total

Rupees  
In Lacs

995.82

2611.74

3607.56

As at  
31-3-2008  
Rupees  
in Lacs

947.68

2579.54

3527.22



- \* 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<br>in Lacs | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|-------------------------|-------------------|---|
| Fixed Deposits          | 702.73            | 717.65                                  |
| Deposits from Companies | 1138.00           | 733.00                                  |
| Total                   | <u>1840.73</u>    | <u>1450.65</u>                          |

**Schedule : 5  
FIXED ASSETS :**

(Rupees in Lacs)

| PARTICULARS                      | GROSS BLOCK (AT COST) |                |                 | DEPRECIATION     |                |                 |                    | NET BLOCK       |                  |                  |
|----------------------------------|-----------------------|----------------|-----------------|------------------|----------------|-----------------|--------------------|-----------------|------------------|------------------|
|                                  | As at<br>1-4-08       | Addi-<br>tions | Deduc-<br>tions | As at<br>31-3-09 | Upto<br>1-4-08 | For the<br>year | On deduc-<br>tions | Upto<br>31-3-09 | As at<br>31-3-09 | As at<br>31-3-08 |
| LAND                             | 0.80                  | --             | --              | 0.80             | --             | --              | --                 | --              | 0.80             | 0.80             |
| BUILDINGS                        | 984.64                | 80.31          | --              | 1064.95          | 231.96         | 30.48           | --                 | 262.44          | 802.51           | 752.68           |
| PLANT & MACHINERY                | 8260.68               | 411.47         | 30.03           | 8642.12          | 3639.84        | 329.99          | 28.53              | 3941.30         | 4700.82          | 4620.84          |
| FURNITURE & OFFICE<br>EQUIPMENTS | 161.08                | 13.73          | --              | 174.81           | 117.76         | 6.96            | --                 | 124.72          | 50.09            | 43.52            |
| VEHICLES                         | 200.40                | 81.29          | 52.55           | 229.14           | 56.24          | 20.65           | 22.07              | 54.82           | 174.32           | 144.16           |
| AGRICULTURAL EQUIPMENT           | 0.35                  | --             | --              | 0.35             | 0.34           | --              | --                 | 0.34            | 0.01             | 0.01             |
| <b>TOTAL</b>                     | <b>9607.95</b>        | <b>586.80</b>  | <b>82.58</b>    | <b>10112.17</b>  | <b>4046.14</b> | <b>388.08</b>   | <b>50.60</b>       | <b>4383.62</b>  | <b>5728.55</b>   | <b>5561.81</b>   |
| Previous year                    | 8580.25               | 1093.30        | 65.50           | 9607.95          | 3730.17        | 341.34          | 25.37              | 4046.14         | 5561.81          | --               |

**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<br>in Lacs | Rupees<br>in Lacs | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|--|-------------------|-------------------|---|
| <b>Long Term Investments :</b>   |                   |                   |   |
| <b>In Government Securities (Matured and remained unrealised) (Unquoted)</b>   |                   |                   |   |
| 6 years National Savings Certificates (Deposited with Government department)   |                   | 0.10              | 0.10                                    |
| <b>Other Investments :</b>   |                   |                   |   |
| <b>(Quoted)</b>  |                   |                   |   |
| 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                                    |
| 48,900 Units of Principal PNB Long Term<br>Equity Fund 3 Year Plan - Series II | 6.43              |                   | 6.43                                    |
|  |                   | 8.32              | 8.32                                    |
| <b>(Unquoted)</b>  |                   |                   |   |
| 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                 | 120.00            |                   | 120.00                                  |
|  |                   | 120.83            | 120.83                                  |
|  |                   | 129.25            | 127.82                                  |
| Total  |                   |                   |   |

|   | Cost<br>Rs. In Lacs | Market<br>Value<br>Rs. In Lacs |
|---|---------------------|--------------------------------|
| 1. Aggregate of quoted Investments<br>Previous Year   | 8.32<br>(8.32)      | 4.27<br>(7.41)                 |
| 2. Aggregate of unquoted Investments<br>Previous Year | 120.93<br>(120.93)  | --<br>(--)                     |

**Schedule : 7**  
**INVENTORIES :**

|                        | Rupees<br>in Lacs | Rupees<br>in Lacs | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|------------------------|-------------------|-------------------|---|
| Stores and Spare Parts | 256.90            |                   | 293.24                                  |
| Coal and Lignite       | 31.65             |                   | 46.53                                   |
|                        |                   | 288.55            | 339.77                                  |
| <b>Stock-in-trade:</b> |                   |                   |   |
| Raw Materials          | 645.80            |                   | 1104.42                                 |
| Finished Goods         | 780.79            |                   | 782.79                                  |
| Bye Products           | 84.65             |                   | 152.06                                  |
| Process Stock          | 555.82            |                   | 266.85                                  |
|                        |                   | 2067.06           | 2306.12                                 |
| Total                  |                   | 2355.61           | 2645.89                                 |



**Schedule : 8**

**SUNDRY DEBTORS :**

|   | Rupees<br>in Lacs | Rupees<br>in Lacs     | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|---|-------------------|-----------------------|---|
| <b>Unsecured :</b>                                  |                   |                       |   |
| <b>Considered Good :</b>                            |                   |                       |   |
| Debts outstanding for a period exceeding six months | 139.23            |                       | 83.24                                   |
| Others  | <u>1882.53</u>    |                       | <u>1779.95</u>                          |
|   |                   | 2021.76               | 1863.19                                 |
| <b>Considered doubtful</b>                          | 144.63            |                       | 143.02                                  |
| Less: Provision                                     | <u>7.01</u>       |                       | <u>7.01</u>                             |
|   |                   | <u>137.62</u>         | <u>136.01</u>                           |
| Total   |                   | <u><u>2159.38</u></u> | <u><u>1999.20</u></u>                   |

**Schedule : 9**

**CASH AND BANK BALANCES :**

|                           | Rupees<br>in Lacs | Rupees<br>in Lacs    | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|---------------------------|-------------------|----------------------|---|
| Cash on hand              |                   |                      |   |
| With Scheduled Banks:     |                   | 23.07                | 20.48                                   |
| In Current Accounts       | 37.56             |                      | 30.07                                   |
| In Fixed Deposit Accounts | <u>46.29</u>      |                      | <u>48.77</u>                            |
|                           |                   | <u>83.85</u>         | <u>78.84</u>                            |
| Total                     |                   | <u><u>106.92</u></u> | <u><u>99.32</u></u>                     |

**Schedule : 10**

**LOANS AND ADVANCES :**

|  | Rupees<br>in Lacs | Rupees<br>in Lacs    | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|--|-------------------|----------------------|---|
| <b>Unsecured Considered Good :</b>                                   |                   |                      |   |
| Advances recoverable in cash or in kind or for value to be received* |                   | 423.87               | 477.24                                  |
| Balance with Central Excise Department                               |                   | 66.28                | 84.35                                   |
| Advance Income Tax (Net of Taxation Provision)                       |                   | <u>99.24</u>         | <u>94.34</u>                            |
| Total  |                   | <u><u>589.39</u></u> | <u><u>655.93</u></u>                    |

\*Due from Sayaji Sethness Limited, a Company under the same management as Per Section 370 (1B) of the Companies Act, 1956.

9.62      8.37

Maximum outstanding balance during the year.

9.62      8.37

**Schedule : 11**

**CURRENT LIABILITIES & PROVISIONS :**

|   | Rupees<br>in Lacs | Rupees<br>in Lacs     | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|---|-------------------|-----------------------|---|
| <b>Current Liabilities:</b>                 |                   |                       |   |
| Sundry Creditors (Note No.7 of Schedule 17) | 3387.47           |                       | 3593.93                                 |
| Unclaimed Dividend*                         | 10.58             |                       | 8.87                                    |
| Interest accrued but not due on loans       | <u>2.11</u>       |                       | <u>2.36</u>                             |
|   |                   | 3400.16               | 3605.16                                 |
| <b>Provisions:</b>                          |                   |                       |   |
| Provision for Employee Benefits             | 291.92            |                       | 243.01                                  |
| Proposed Dividend                           | 36.00             |                       | 36.00                                   |
| Tax on Dividend                             | <u>6.12</u>       |                       | <u>6.12</u>                             |
|   |                   | <u>334.04</u>         | <u>285.13</u>                           |
| Total                                       |                   | <u><u>3734.20</u></u> | <u><u>3890.29</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<br>in Lacs   | Previous Year<br>2007-2008<br>Rupees<br>in Lacs |
|---------------------------------------|---------------------|---|
| Dividend - From Long Term Investments | 18.07               | 18.03   |
| Profit on Sale of Fixed Assets (Net)  | 18.37               | --  |
| Miscellaneous Income                  | 2.82                | 5.22  |
| Insurance Claim                       | 3.99                | --  |
| Sales Tax Refund                      | --                  | 2.28  |
| Profit on Sale of Investments         | --                  | 1.43  |
| <b>Total</b>                          | <b><u>43.25</u></b> | <b><u>26.96</u></b>                             |

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

|   | Rupees<br>in Lacs | Rupees<br>in Lacs    | Previous Year<br>2007-2008<br>Rupees<br>in Lacs |
|---|-------------------|----------------------|---|
| <b>Stock as at 31st March, 2009 :</b>       |                   |                      |   |
| Finished Goods                              | 780.79            |                      | 782.79  |
| Bye Products                                | 84.65             |                      | 152.06  |
| Process Stock                               | <u>555.82</u>     |                      | <u>266.85</u>                                   |
|   |                   | <b>1421.26</b>       | <b>1201.70</b>                                  |
| <b>Less : Stock as at 1st April, 2008 :</b> |                   |                      |   |
| Finished Goods                              | 782.79            |                      | 711.17  |
| Bye Products                                | 152.06            |                      | 84.73   |
| Process Stock                               | <u>266.85</u>     |                      | <u>326.97</u>                                   |
|   |                   | <b>1201.70</b>       | <b>1122.87</b>                                  |
| <b>Total</b>                                |                   | <b><u>219.56</u></b> | <b><u>78.83</u></b>                             |

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

|  | Rupees<br>in Lacs | Rupees<br>in Lacs      | Previous Year<br>2007-2008<br>Rupees<br>in Lacs |
|--|-------------------|------------------------|---|
| Raw materials consumed   |                   | 13643.00               | 12409.99  |
| Purchases of goods traded in   |                   | 34.39                  | 57.21   |
| Payments to and Provision for employees:   |                   |                        |   |
| Salaries, wages and bonus  | 1504.92           |                        | 1369.60   |
| Voluntary Retirement Compensation amortised  | 3.02              |                        | 8.36  |
| Contribution to provident and other funds  | 200.94            |                        | 145.57  |
| Welfare expenses   | <u>120.08</u>     |                        | <u>137.60</u>                                   |
|  |                   | <b>1828.96</b>         | <b>1661.13</b>                                  |
| Operational and other expenses :   |                   |                        |   |
| Stores and spare parts consumed  | 2647.26           |                        | 2282.85   |
| Power and Fuel   | 3106.94           |                        | 2206.08   |
| Rent   | 13.51             |                        | 12.75   |
| Repairs:   |                   |                        |   |
| Buildings  | 43.62             |                        | 16.88   |
| Machinery  | 387.05            |                        | 254.98  |
| Others   | 79.95             |                        | 117.30  |
| Insurance  | 27.90             |                        | 27.39   |
| Rates & Taxes  | 173.01            |                        | 171.55  |
| Stationery, Printing, Advertisements, Postage, Telephone etc.  | 63.65             |                        | 62.45   |
| Brokerage and Commission (including Rs. 226.83 Lacs paid to Sole Selling Agent) (Previous Year Rs.236.53 Lacs)                 | 300.76            |                        | 301.17  |
| Sales Expenses   | 1204.78           |                        | 906.66  |
| Auditors Remuneration  | 4.25              |                        | 4.21  |
| Cost Auditors Remuneration   | 0.28              |                        | 0.24  |
| General Charges (including vehicle expenses, conveyance, legal charges, subscription, cash discount, travelling expenses etc.) | 380.98            |                        | 376.69  |
| Loss on Sale of Fixed Assets (Net)   | --                |                        | 8.24  |
| Donation   | <u>0.65</u>       |                        | <u>0.12</u>                                     |
|  |                   | <b>8434.59</b>         | <b>6749.56</b>                                  |
| Directors' Fees  |                   | 0.36                   | 0.57  |
| Managerial Remuneration  |                   | <u>55.83</u>           | <u>55.84</u>                                    |
| <b>Total</b>   |                   | <b><u>23997.13</u></b> | <b><u>20934.30</u></b>                          |



**SCHEDULES**  
**Schedule : 15****INTEREST (NET) :**

|  | Rupees<br>in Lacs | Previous Year<br>2007-2008<br>Rupees<br>in Lacs |
|--|-------------------|---|
| On Fixed Loans   | 243.08            | 266.21  |
| Others (Net of Interest income of Rs. 2.98 Lacs) (Previous Year Rs. 3.11 Lacs) | <u>291.79</u>     | <u>278.21</u>                                   |
| Total  | <u>534.87</u>     | <u>544.42</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 :**

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 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.

**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 :**

|   | <b>Rupees<br/>in Lacs</b> | As at<br>31-3-2008<br>Rupees<br>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)  | <b>47.08</b>              | 30.29                                   |
| 3. Contingent liabilities not provided for :  |                           |   |
| a) Bills discounted but not matured   | <b>191.86</b>             | 387.12                                  |
| b) Guarantees given by the Bankers on behalf of the Company.  | --                        | 2.56                                    |
| c) Demand of Central Excise Department for Excise Duty, which the Company has not admitted and has appealed against.                                | <b>178.97</b>             | 763.56                                  |
| d) Disputed demand of Income tax as the Company expects to Succeed in the appeal.   | <b>2.34</b>               | 2.34                                    |
| 4. No provision has been made for Book Debts considered doubtful of recovery  | <b>137.62</b>             | 136.01                                  |



**Schedule : 17 (Contd..)**

**NOTES FORMING PART OF ACCOUNTS :**

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
7. 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.

**8. Deferred tax:**

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

| Particulars                            | As at<br>31-3-2009<br>Rupees<br>in Lacs | As at<br>31-3-2008<br>Rupees<br>in Lacs |
|--|---|---|
| Deferred Tax Liability                 |   |   |
| Depreciation                           | (797.77)                                | (729.88)                                |
| Deferred Tax Assets                    |   |   |
| Unabsorbed Depreciation                | 159.80                                  | 157.69                                  |
| Provision for Employee benefits        | 96.14                                   | 82.60                                   |
| Deferred tax asset / (liability) (Net) | (541.83)                                | (489.59)                                |

**9 Employee Benefits**

- a) As per the Accounting Standard 15 "Accounting for Retirement Benefits", the Company has made a provision for certain defined employee benefit plans aggregating to Rs. 48.91 Lacs (Previous Year Rs. 67.40 Lacs).

b) Defined Benefit Plans

| Particulars  | Gratuity      | (Rs. In Lacs)<br>Leave Encashment |
|--|---------------|-----------------------------------|
| <b>i. Expenses recognized in Profit &amp; Loss Account for the period ended March 31, 2009</b> |               |                                   |
| Current Service cost   | 22.46         | 10.72                             |
| Interest Cost  | 46.45         | 5.61                              |
| Expected return on plan assets   | 36.48         | —                                 |
| Net actuarial losses (gains)   | 74.48         | 1.39                              |
| <b>Total Expenses</b>  | <b>106.91</b> | <b>17.72</b>                      |

| Particulars   | Gratuity      | (Rs. In Lacs)<br>Leave Encashment |
|---|---------------|-----------------------------------|
| <b>ii. 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, 2008  | 580.58        | 77.48                             |
| Service cost  | 22.46         | 10.72                             |
| Interest cost   | 46.45         | 5.61                              |
| Actuarial losses (gains)  | 74.48         | 1.39                              |
| Losses (gains) on curtailments  | --            | --                                |
| Liabilities extinguished on settlements   | --            | --                                |
| Benefits paid   | (68.55)       | (10.77)                           |
| <b>Closing defined benefit obligation as at March 31, 2009</b>  | <b>655.42</b> | <b>84.43</b>                      |

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

| Particulars   | (Rs. In Lacs)                |                  |
|---|------------------------------|------------------|
|   | Gratuity                     | Leave Encashment |
| <b>iii. 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, 2008   | 415.05                       | --               |
| Expected return on plan assets  | 36.48                        | --               |
| Actuarial gains and (losses)  | --                           | --               |
| Assets distributed on settlements   | --                           | --               |
| Contributions by employer   | 64.95                        | --               |
| Benefits paid   | 68.55                        | --               |
| <b>Closing balance of fair value of plan assets as At March 31, 2009.</b>                         | <b>447.93</b>                | <b>--</b>        |
| <b>iv. Net Liability recognized in the Balance Sheet as at March 31, 2009</b>                     |                              |                  |
| Defined Benefit Obligation as at March 31, 2009   | 655.42                       | 84.43            |
| Fair Value of plan assets as at March 31, 2009  | 447.93                       | --               |
| Present Value of unfounded obligation recognized as liability as at March 31, 2009                | 207.49                       | 84.43            |
| <b>v. Actual Return on Plan Assets</b>  | --                           | --               |
| <b>vi. Actuarial Assumptions</b>  |                              |                  |
|   | As at 31st March, 2009       |                  |
| Discount Rate   | 8%                           |                  |
| Expected rate of return on plan assets  | 8%                           |                  |
| Expected rate of salary increase  | 4%                           |                  |
| 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.110.15 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".

Previous year's data for defined benefit obligation and fair value of plan assets are as under :

| Particulars  | (Rs. In Lacs) |                  |
|--|---------------|------------------|
|  | Gratuity      | Leave Encashment |
| Present value of defined benefit obligation at the end of the year | 580.58        | 77.48            |
| Fair value of plan assets at the end of the year                   | 415.05        | --               |
| Net Assets/(Liability) at the end of the year                      | 165.53        | 77.48            |

10. a. Business Segment.

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.

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.

| Segment Revenue   | Rupees in Lacs |          |
|-------------------|----------------|----------|
|                   | 2008-09        | 2007-08  |
| 1. Sales          |                |          |
| (a) India         | 18158.30       | 17447.41 |
| (b) Outside India | 6656.10        | 4441.18  |
| Total             | 24814.40       | 21888.59 |
| 2. Other Income   |                |          |
| (a) India         | 43.25          | 26.96    |
| (b) Outside India | --             | --       |
| Total             | 43.25          | 26.96    |
| 3. Total Revenue  |                |          |
| (a) India         | 18201.55       | 17474.37 |
| (b) Outside India | 6656.10        | 4441.18  |
| Total             | 24857.65       | 21915.55 |



**Schedule : 17 (Contd..)**

**NOTES FORMING PART OF ACCOUNTS :**

**Segment Assets**

|                    |          |         |
|--------------------|----------|---------|
| 1. Carrying amount |          |         |
| (a) India          | 10104.82 | 9600.60 |
| (b) Outside India  | 7.35     | 7.35    |
| 2. Additions       |          |         |
| (a) India          | 586.80   | 1093.20 |
| (b) Outside India  | --       | --      |

Rupees                      Previous Year 2007-2008  
in Lacs                      Rupees in Lacs

11. The profit and loss account includes:

**(i) Auditors Remuneration:**

|                            |             |             |
|----------------------------|-------------|-------------|
| a) Audit Fee               | 2.00        | 2.00        |
| b) Taxation matters        | 1.61        | 1.53        |
| c) Tax Audit Fee           | 0.50        | 0.50        |
| d) Other Services          | 0.08        | 0.17        |
| e) Out of Pocket Expenses. | 0.06        | 0.01        |
|                            | <u>4.25</u> | <u>4.21</u> |

**(ii) Managerial Remuneration to the Managing Directors:**

|   |              |              |
|---|--------------|--------------|
| a) Remuneration to the Managing Directors:                                      |              |              |
| Salary  | 42.24        | 42.24        |
| Contribution to Provident & Other funds   | 13.44        | 13.44        |
| Perquisites in Cash   | 0.15         | 0.16         |
|   | <u>55.83</u> | <u>55.84</u> |
| b) Estimated monetary value of perquisites evaluated as per<br>Income Tax Rules | 4.22         | 4.22         |

12. Quantitative Information :

**(a) Licenced and Installed Capacity and Production :**

|                         | Licenced<br>Capacity* | Installed<br>Capacity** | Production<br>meant for<br>Sales M.T. |
|-------------------------|-----------------------|-------------------------|---------------------------------------|
|                         | M.T.                  | M.T.                    | M.T.                                  |
| Starches                | N.A.                  | 85,000<br>(85,000)      | 41244<br>(45,219)                     |
| Process Foods           | N.A.                  | 74,000<br>(74,000)      | 54206<br>(50,687)                     |
| Drugs & Pharmaceuticals | N.A.                  | 6,000<br>(6,000)        | 5121<br>(5,310)                       |

\* 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<br>in Lacs                | M.T.           | Rupees<br>in Lacs                | M.T.             | Rupees<br>in Lacs                    |
| Starches                | 3224<br>(3246)        | 442.96<br>(455.04)               | 2155<br>(3224) | 354.09<br>(442.96)               | 42313<br>(45241) | 7020.91<br>(7027.13)                 |
| Processed Foods         | 1595<br>(1257)        | 313.42<br>(249.84)               | 2028<br>(1595) | 414.63<br>(313.42)               | 53806<br>(50533) | 11225.96*<br>(9246.92)               |
| Drugs & Pharmaceuticals | 81<br>(21)            | 23.89<br>(6.29)                  | 37<br>(81)     | 11.83<br>(23.89)                 | 5165<br>(5250)   | 1712.54<br>(1703.64)                 |
| Bye Products & Others   |                       | 154.58<br>(84.73)                |                | 87.62<br>(154.58)                |                  | 4854.99<br>(3910.90)                 |
| Total                   |                       | <u>934.85</u><br><u>(795.90)</u> |                | <u>868.17</u><br><u>(934.85)</u> |                  | <u>24814.40</u><br><u>(21888.59)</u> |

\* Includes turnover of trading goods.



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

(c) Purchase of Finished Goods :

|          | M.T.  | Rupees<br>in lacs |
|----------|-------|-------------------|
| Sorbitol | 33    | 9.22              |
|          | (184) | (38.11)           |
| Others   |       | 25.17             |
|          |       | (19.10)           |
| Total    |       | <u>34.39</u>      |
|          |       | <u>(57.21)</u>    |

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

|          | M.T.     | Rupees<br>in lacs |
|----------|----------|-------------------|
| Maize    | 154330   | 13407.73          |
|          | (152230) | (12354.08)        |
| Sorbitol | 199      | 55.50             |
|          | (--)     | (--)              |
| Dextrose | 463      | 109.75            |
|          | (--)     | (--)              |
| Others   |          | 70.02             |
|          |          | (55.91)           |
| Total    |          | <u>13643.00</u>   |
|          |          | <u>(12409.99)</u> |

II) Details of Imported Materials:

|                                       | Raw Materials     |                 | Stores, Spares & Chemicals |                 |
|---------------------------------------|-------------------|-----------------|----------------------------|-----------------|
|                                       | Rupees<br>in Lacs | %               | Rupees<br>in Lacs          | %               |
| a) C.I.F.Value of Imported Materials: |                   |                 |                            |                 |
| i) Stores, Spare parts & Chemicals    |                   |                 | 187.09                     |                 |
|                                       |                   |                 | (176.65)                   |                 |
| ii) Machineries                       |                   |                 | 14.82                      |                 |
|                                       |                   |                 | (39.23)                    |                 |
| b) Consumption :                      |                   |                 |                            |                 |
| 1. Imported                           | --                | --              | 288.37                     | 10.89           |
|                                       | (--)              | (--)            | (229.27)                   | (10.04)         |
| 2. Indigenous                         | 13643.00          | 100.00          | 2358.89                    | 89.11           |
|                                       | (12409.99)        | (100.00)        | (2053.58)                  | (89.96)         |
| Total                                 | <u>13643.00</u>   | <u>100.00</u>   | <u>2647.26</u>             | <u>100.00</u>   |
|                                       | <u>(12409.99)</u> | <u>(100.00)</u> | <u>(2282.85)</u>           | <u>(100.00)</u> |



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

(III) Particulars regarding Foreign Exchange :

|  | Rupees<br>in Lacs           |
|--|-----------------------------|
| a) Expenditure on accrual basis in foreign currency:     |                             |
| 1) Travelling  | 14.29<br>(9.54)             |
| 2) Subscription for periodicals                          | 0.19<br>(0.05)              |
| 3) Technical Know-how & Service Fees                     | --<br>(14.69)               |
| 4) Commission  | 21.32<br>(4.74)             |
| 5) Overseas Office Expenses                              | 27.49<br>(23.32)            |
| b) Earnings in foreign currency:<br>FOB Value of Exports | <b>6102.01</b><br>(4161.83) |

(Figures in brackets are of Previous Year)

13. 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

(B) Related Party Transactions and Balances :

| Transactions                                 | Associate Companies | Key Managerial Personnel | Relatives of Key Managerial Personnel | Total               |
|--|---------------------|--------------------------|---------------------------------------|---------------------|
| Sale of Goods                                | 308.43<br>(255.01)  | --<br>(--)               | --<br>(--)                            | 308.43<br>(255.01)  |
| Purchase of Goods                            | 557.12<br>(355.89)  | --<br>(--)               | --<br>(--)                            | 557.12<br>(355.89)  |
| Interest paid on Deposits                    | 84.95<br>(81.68)    | --<br>(--)               | 7.37<br>(6.77)                        | 92.32<br>(88.45)    |
| Remuneration                                 | --<br>(--)          | 60.05<br>(60.06)         | --<br>(--)                            | 60.05<br>(60.06)    |
| Reimbursement of expenses                    | 8.84<br>(7.68)      | --<br>(--)               | --<br>(--)                            | 8.84<br>(7.68)      |
| Services Received                            | 38.67<br>(22.19)    | --<br>(--)               | --<br>(--)                            | 38.67<br>(22.19)    |
| Rent Received                                | 2.53<br>(2.53)      | --<br>(--)               | --<br>(--)                            | 2.53<br>(2.53)      |
| Debit Balances outstanding as on 31.03.2009  | 35.25<br>(19.35)    | --<br>(--)               | --<br>(--)                            | 35.25<br>(19.35)    |
| Credit Balances outstanding as on 31.03.2009 | 1160.03<br>(734.54) | --<br>(--)               | 78.07<br>(72.07)                      | 1238.10<br>(806.61) |

(Figures in brackets are of Previous Year)

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS :

14. Earning per Share :

2008-2009    2007-2008

|   |        |        |
|---|--------|--------|
| 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) | 72.39  | 87.17  |
| c) Basic and diluted Earnings Per Share (Rupees)                        | 120.65 | 145.28 |

15. 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**

|                                      | <u>No. of<br/>Contracts</u> | <u>Foreign Currency<br/>Amount</u> | <u>Reporting Currency<br/>Amount</u> |
|--------------------------------------|-----------------------------|------------------------------------|--------------------------------------|
| Forward cover for export receivables | 3                           | US \$ 57,780<br>EURO 112,590       | Rs. 28,41,463<br>Rs. 72,03,376       |
| Forward cover for import receivables | --                          | --                                 |                                      |

**Unhedged Exposures**

|                     | <u>Foreign Currency<br/>Amount</u> | <u>Reporting Currency<br/>Amount</u> |
|---------------------|------------------------------------|--------------------------------------|
| Accounts Receivable | US \$ 971,694                      | Rs. 4,84,08,368                      |

As per our attached Report of even date

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

**Biharilal Kanaiyalal**  
Chairman

**P. B. Mehta**  
Managing Director

**M. N. Shah**  
Director

**V.M. Mehta**  
Director

**V.P. Mehta**  
Director

**H. P. Shah**  
Partner

**N. J. Deora**  
Manager (Accounts)

**Rajesh H. Shah**  
Company Secretary

Ahmedabad  
Date : 27th July, 2009.

Ahmedabad  
Date: 27th July, 2009.



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

**I. Registration Details :**

Registration No. 00471/TA State Code 04  
Balance Sheet date 31st March, 2009

**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      | 804939 | Total Assets              | 804939 |
| Paid-up Capital        | 6000   | Net Fixed Assets          | 643699 |
| Reserves & Surplus     | 199927 | Investments               | 12925  |
| Secured Loans          | 360756 | Net Current Assets        | 147710 |
| Unsecured Loans        | 184073 | Miscellaneous Expenditure | 605    |
| Deferred Tax Liability | 54183  | Accumulated Losses        | Nil    |

**IV Performance of Company (Amount in Rs. Thousands)**

|                          |         |                   |         |
|--------------------------|---------|-------------------|---------|
| Turnover                 | 2481440 | Total Expenditure | 2492008 |
| Profit Before Tax        | 15713   | Profit After Tax  | 7239    |
| Earning per Share in Rs. | 120.65  | 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                   |

**Biharilal Kanaiyalal**  
Chairman

**P. B. Mehta**  
Managing Director

**M.N. Shah**  
Director

**V. M. Mehta**  
Director

**V.P. Mehta**  
Director

**N. J. Deora**  
Manager (Accounts)

**Rajesh H. Shah**  
Company Secretary

Ahmedabad  
Date: 27th July, 2009.



# 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 68th Annual General Meeting of the Company to be held on **Wednesday,  
30th September, 2009** 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 : ૩૦-૯-૨૦૦૯

સમય : સવારે ૯-૩૦ વાગે

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

૧. શેરહોલ્ડર સાહેબો માટે બુધવાર ૩૦-૯-૨૦૦૯ ના રોજ બોલાવેલ ૬૮મી વાર્ષિક સામાન્ય સભામાં હાજરી આપવા માટે બસની વ્યવસ્થા કરવામાં આવી છે. બસ માત્ર સારંગપુર દરવાજા, અમદાવાદથી સવારના ૮-૪૫ 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 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 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**

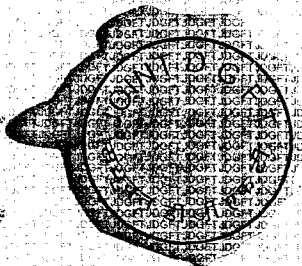
मैसर्स \_\_\_\_\_

(आई ई सी सं. \_\_\_\_\_ 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 RAJESH PRODUCTS, A DIVISION OF RAJATI INDUSTRIAL LIMITED,  
P.O. KATHUKUR, ANANDAPUR - 582430.

(IEC No. 0988000007 ..... and Income Tax PAN  
 NO. AAACD00034 ..... ) 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  
1 years effective from 1<sup>st</sup> April, 2007 ..... to 31<sup>st</sup>  
 March, 2009 .....

सं०  
 No A-002489  
 तारीख  
 Date 26.07.2007  
 स्थान  
 Place ANANDAPUR



संयुक्त महानिदेशक, विदेश व्यापार  
**JOINT DIRECTOR GENERAL  
 OF FOREIGN TRADE**

(फाइल सं./FILE NO. 05/75/105/00030/AM05)



**SAYAJI INDUSTRIES LIMITED**

P.O. Kathwada - Maize Products

Ahmedabad - 382 430.

[www.maizeproducts.com](http://www.maizeproducts.com)