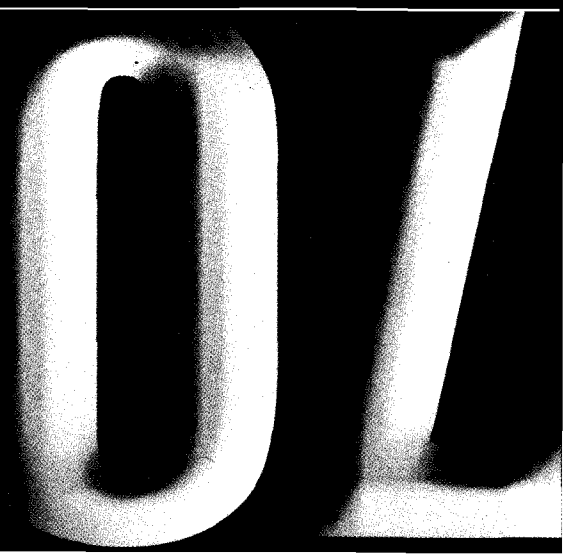
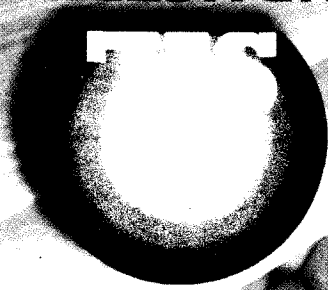


SAYAJI INDUSTRIES LIMITED



70th
Annual Report
2010-2011

CONTENTS

DIRECTORS

Shri Priyam B. Mehta
Shri Varun P. Mehta
Dr. Biharilal Kanaiyalal (Up to 26.09.2010)
Shri Dasharth G. Patel (Up to 01.12.2010)
Shri Mahendra N. Shah
Shri Vishvajit M. Mehta
Dr. Gaurang K. Dalal
Shri Vishal P. Mehta
Dr. Janak D. Desai (From 29th January, 2011)

MANAGING DIRECTOR

Shri Priyam B. Mehta

EXECUTIVE DIRECTOR

Shri Varun P. Mehta

COMPANY SECRETARY

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

AUDITORS

M/s.Deloitte Haskins & Sells,
Chartered Accountants,
Ahmedabad.

LEGAL ADVISORS

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

BANKERS

Punjab National Bank

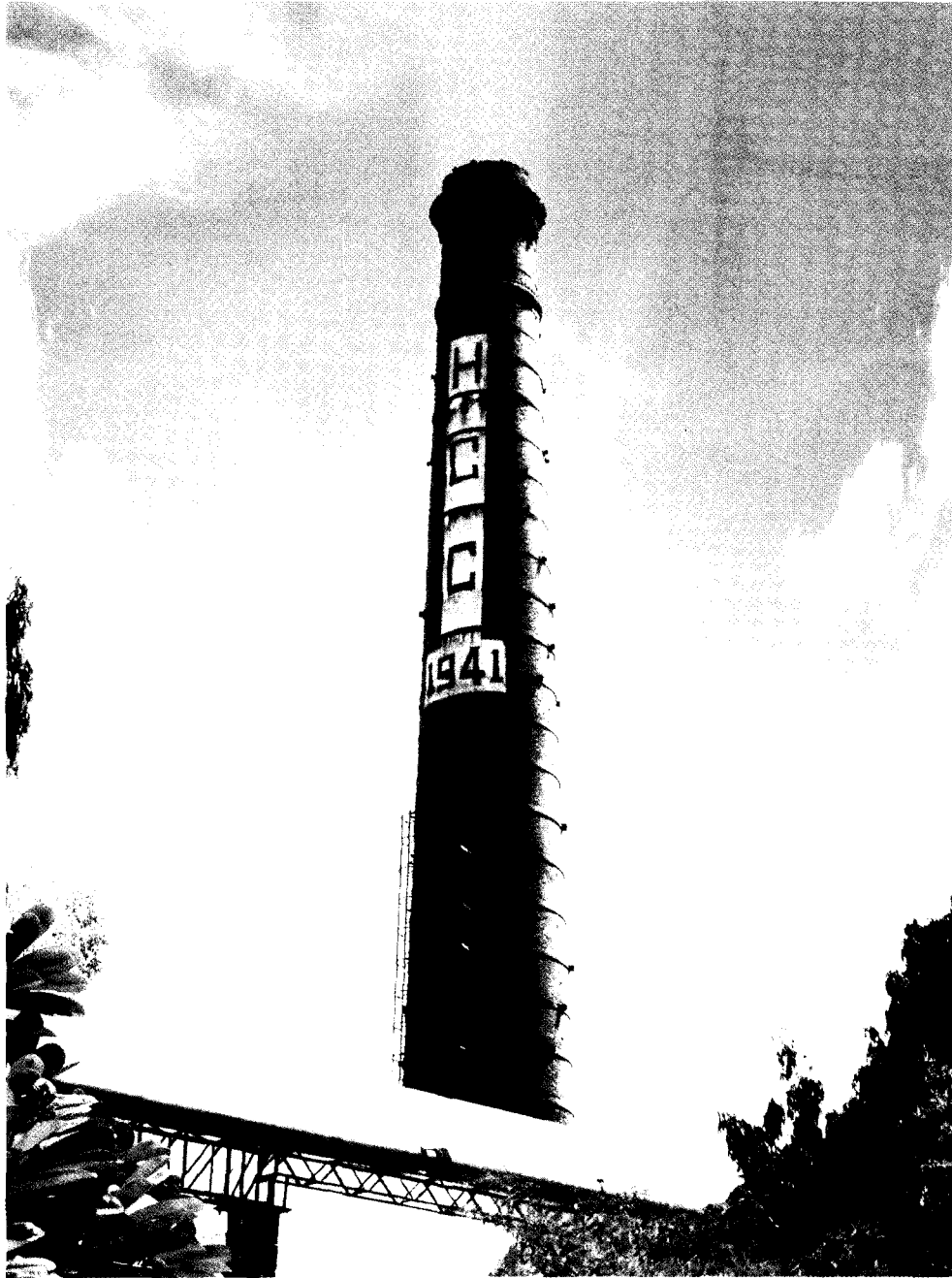
REGISTERED OFFICE

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

FACTORY

Maize Products
Ahmedabad, Gujarat.

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Sayaji Industries Limited – a force to reckon with in the corn wet milling industry, started its operation in the year 1941 as Hindustan Colour Chemical and Manufacturing Limited. The journey at Sayaji has been full of challenges. The management has set and achieved goals, which has led to its growth over a period of last 7decade. Sayaji started as a small set up to manufacture starches with a modest corn crushing capacity of 1ton/day and gradually developed facilities to manufacture other derivatives like liquid glucose, dextrose monohydrate, dextrose anhydrous, sorbitol, corn steep liquor etc. Sayaji also won the national award for import substitution for dextrose anhydrous. Today, the corn crushing capacity at Sayaji is about 650 tons/day and turnover is more than Rs. 3400 Million. Sayaji is the largest exporter in the starch industry with the established brand, namely “Maize Products”. The journey continues even today, and we are committed to reach new heights to reward all stakeholders of Sayaji!!!!

Certificate No. QMS-K11112

KBS Certification Services Pvt. Ltd.

414 to 424, 4th Floor, Om Shubham Tower, Neelam Bata
Road, N.I.T. Faridabad - 121 001, Haryana, India.

Certificate of Registration

Awarded to

MAIZE PRODUCTS

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

*Quality Management System has been successfully assessed &
found to be in accordance with the requirements of the standard*

ISO 9001:2008

Scope of Certification

**Manufacturing & Supply of Maize Starch & Modified
Starches, Liquid Glucose, Dextrose Monohydrate,
Sorbitol 70% Solution, Anhydrous Dextrose, High
Maltose Corn Syrup, Glucose-D & Related by-Products**

Issue Date: 28 Apr, 2011

Expiry Date: 27 Apr, 2014




Kaushal Goyal
Managing Director

For current validity of the certificate, visit : www.kbsindia.in

**SAYAJI INDUSTRIES LIMITED
P.O. KATHWADA - MAIZE PRODUCTS
AHMEDABAD - 382 430.**

NOTICE

Notice is hereby given that the 70th Annual General Meeting of the Members of Sayaji Industries Limited will be held at the Registered Office of the Company at P.O. Kathwada, Maize Products, Ahmedabad-382 430 on Tuesday, the 26th July, 2011 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account of the Company for the year ended on that date and the Report of the Directors' and Auditors' thereon.
2. To declare a dividend on equity shares of the company.
3. To appoint a Director in place of Dr. Gaurang K. Dalai who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Vishvajit M. Mehta who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT subject to provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956 M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad be and are hereby appointed as the Auditors of the Company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on a remuneration of Rs.4,00,000/- (Rupees Four Lacs only) plus applicable service tax and out of pocket expenses."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as amended from time to time, salary of Shri Priyam Bipin Mehta, the Managing Director of the Company, be and is hereby increased from Rs.2,50,000/- per month to Rs.3,00,000/- per month with effect from 12th August, 2011 till 11th August, 2013 and that all other terms and conditions relating to his appointment and remuneration shall be the same as mentioned in the Agreement dated 15th April, 2009 (hereinafter referred to as "the said agreement") executed with him in connection with his appointment as the Managing Director."

"FURTHER RESOLVED THAT this modification shall form the part of the said agreement entered into by the Company with Shri Priyam Bipin Mehta for his appointment as the Managing Director of the Company for the period from 12th August, 2008 to 11th August, 2013."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the said Act as amended from time to time, salary of Shri Varun Priyam Mehta, the Executive Director of the Company be increased from upto Rs.2,50,000/- per month to upto Rs.3,00,000/- per month from 1st August, 2011 to 15th January, 2013 and that the total remuneration payable to Shri Varun Priyam Mehta shall not exceed the limit prescribed

NOTICE



under Schedule XIII to the Companies Act, 1956 and that all other terms and conditions relating to his appointment and remuneration shall be the same as mentioned in the Agreement dated 16th August, 2010 (hereinafter referred to as "the said agreement") executed with him in connection with his appointment as the Executive Director."

"FURTHER RESOLVED THAT this modification shall form the part of the said agreement entered into by the Company with Shri Varun Priyam Mehta for his appointment as the Executive Director of the Company for the period from 16th January, 2010 to 15th January, 2015."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to take all such steps as may be necessary to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT in supersession of the earlier resolutions passed by the Members of the Company in their Annual/ Extraordinary General Meeting under Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow on behalf of the Company, money from time to time by way of loan, advances, credits or otherwise with or without security as the Board of Directors may consider proper, including creating a charge or mortgage on the whole or part of the Company's assets and properties as the Board may consider fit notwithstanding that the money so borrowed, together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's Banker in the ordinary course of Business) may exceed the aggregate of the paid-up capital of the Company and its free reserves, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of Business) shall not at any time exceed Rs.100 Crores (Rupees One hundred Crores only)".

9. To consider and if thought fit to pass, with or without modifications, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT the Board of Directors of the Company, be and is hereby authorized pursuant to Section 293 (1) (e) of the Companies Act, 1956 on behalf of the company to contribute and/or subscribe from time to time in any financial year to any body, institute, society, person, trust or fund for any charitable or other purposes not directly related to the business of the Company or to the welfare of the employees, any amount, the aggregate of which in any financial year of the company exceed an amount of Rs.50,000 or 5% of the Company's average net profits as determined in accordance with the provisions of Section 349 and 350 of the said Act during the three financial years immediately preceding, subject to a maximum of Rs.25,00,000 or 5% of the Company's average profit determined in the manner as mentioned above, whichever is greater."

"FURTHER RESOLVED THAT the donation amounting to Rs.1.72 Lacs done during the financial year ended March 31, 2011 be and is hereby approved, confirmed and ratified."

Place : Ahmedabad
Date : June 6, 2011

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

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 Monday, the 18th July, 2011 to Tuesday, the 26th July, 2011 (both days inclusive).
3. The dividend on shares, if sanctioned by the Annual General Meeting, will be payable at specified Branches of Axis Bank Limited, in India from 5th August, 2011, 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 18th July, 2011. Thereafter, the dividend shall be paid by Account Payee Cheque only at the Registered Office of the Company at P.O. Kathwada, Maize Products, Ahmedabad – 382 430.
4. Pursuant to Section 205 A (5) of the Companies Act, 1956, all unclaimed/unpaid dividends in respect of the Company's Accounting Year ended March 31, 2004 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 27th September, 2011. Members are requested to make their claim to the Company for unclaimed/unpaid dividend for the year 2003-2004 before 27th September, 2011.

Members who have not yet encashed their dividend warrant (s) for the financial year ended on 31st March, 2005 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 certificates, 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 etc. 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/ Beneficiary Account Numbers in all their correspondence.
8. Members desirous of obtaining any information concerning the accounts of the Company are requested to send their queries to the Company Secretary at least 7 days before the date of the meeting so that the information required by the members may be made available at the meeting.
9. Members are requested to notify their Bank Account Number to the Company/ M/s Karvy Computershare Private Limited so as to ensure the smooth process of payment of Dividends. Change, if any, in the Bank Account Number should also be informed to the Company/ M/s Karvy Computershare Private Limited at the earliest.

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM NO. 6**

The Company had pursuant to the special resolution passed by the shareholders in the Annual General Meeting held on 22nd August, 2008 executed agreement on 15th April, 2009 (hereinafter referred to as "the said agreement") with Shri Priyam Bipin Mehta for his appointment as the Managing Director of the Company for the period of five years with effect from 12th August, 2008 to 11th August, 2013. Pursuant to the said special resolution and in view of the Notification No. GSR 36(E) dated 16th January, 2002 the remuneration to Shri Priyam Bipin Mehta as the Managing Director of the Company was approved for the period of three years with effect from 12th August, 2008 to 11th August, 2011 and the same has been mentioned in the said agreement.

It is now proposed to increase the salary of Shri Priyam Bipin Mehta as the Managing Director of the Company from Rs.2,50,000/- per month to Rs.3,00,000/- per month for the remaining tenure of his appointment with effect from 12th August, 2011 to 11th August, 2013 which is within the limits prescribed under the provisions of the Companies Act, 1956 and as provided in Schedule XIII to the Companies Act, 1956.

All other terms and conditions of the said agreement relating to his appointment and remuneration shall remain valid and unchanged.

These particulars also constitute the abstract of the terms of modification in said agreement entered into with Shri Priyam Bipin Mehta and required to be sent to every member of the Company pursuant to Section 302 of the Companies Act, 1956.

The said agreement dated 15th April, 2009 executed by the company in connection with the appointment of Shri Priyam Bipin Mehta as the Managing Director is available for inspection at the Registered Office of the Company from 10.30 a.m. to 12.30 p.m. on any working day of the Company upto the date of the Annual General Meeting.

Shri Priyam Bipin Mehta, the Managing Director is interested in the resolution as it concerns his appointment. Shri Varun Priyam Mehta and Shri Vishal Priyam Mehta to whom Shri Priyam Bipin Mehta is related may also be regarded as interested or concerned in the resolution.

ITEM NO. 7

The Company had pursuant to the special resolution passed by the shareholders in the Annual General Meeting held on 13th August, 2010 executed agreement on 16th August, 2010 (hereinafter referred to as "the said agreement") with Shri Varun Priyam Mehta for his appointment as the Executive Director of the Company for the period of five years with effect from 16th January, 2010 to 15th January, 2015. Pursuant to the said special resolution and in view of the Notification No. GSR 36(E) dated 16th January, 2002 the remuneration to Shri Varun Priyam Mehta as the Executive Director of the Company was approved for the period of three years with effect from 16th January, 2010 to 15th January, 2013 and the same has been mentioned in the said agreement.

It is now proposed to increase the salary of Shri Varun Priyam Mehta as the Executive Director of the Company from Upto Rs.2,50,000/- per month to Upto Rs.3,00,000/- per month with effect from 1st August, 2011 to 15th January, 2013 which is within the limits prescribed under the provisions of the Companies Act, 1956 and as provided in Schedule XIII to the Companies Act, 1956.

The total salary to be paid to Shri Varun Priyam Mehta as the Executive Director shall not exceed a sum of upto Rs.3,00,000/- per month as per the provisions of Schedule XIII to the Companies Act, 1956.

All other terms and conditions of the said agreement relating to his appointment and remuneration shall remain valid and unchanged.

These particulars also constitute the abstract of the terms of modification in said agreement entered into with Shri Varun Priyam Mehta and required to be sent to every member of the Company pursuant to Section 302 of the Companies Act, 1956.

The said agreement dated 16th August, 2010 executed by the company in connection with the appointment of Shri Varun Priyam Mehta as the Executive Director is available for inspection at the Registered Office of the Company from 10.30 a.m. to 12.30 p.m. on any working day of the Company upto the date of the Annual General Meeting.

Shri Varun Priyam Mehta, the Executive Director is interested in the resolution as it concerns his appointment. Shri Priyam Bipin Mehta and Shri Vishal Priyam Mehta to whom Shri Varun Priyam Mehta is related may also be regarded as interested or concerned in the resolution.

ITEN NO. 8

In terms of the provisions of Section 293 (1) (d) of the Companies Act, 1956, the Board of Directors of the Company, can not except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from the Company's bankers in the ordinary course of business in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose.

Further, in terms of the provisions of Section 293 (1) (a) of the Companies Act, 1956, the Board of Directors of the Company can not except with the consent of the Company in general meeting, sell, lease, charge, mortgage or otherwise dispose off the assets of the Company.

Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits to Rs.100 Crores and to give powers to the Board of Directors or committee thereof to mortgage or create charge on the assets of the Company for the purposes of taking financial facility from the Bankers, Financial Institutions etc.

None of the Directors of the Company is in any way interested in the Resolution.

The Board of Directors accordingly recommends the ordinary resolution as set out at item no.8 of the accompanying notice for the approval of the members.

ITEN NO. 9

Section 293 (1) (e) of the Companies Act, 1956, inter alia, provides that any amount contributed to any charitable or other funds not directly relating to the business of the Company or to the welfare of the employees of the Company, the aggregate of which exceeds Rs.50,000/- or 5% of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding the year in which the contribution has been made needs the approval of the members of the Company. The Board of Directors considers that keeping in view the Company's obligation to the society and as a part of Corporate Social Responsibility, the Company may be required to contribute to the social welfare and other charitable funds/ causes which may exceed the limits prescribed under Section 293 (1) (e) of the Companies Act, 1956. Accordingly the permission of the Shareholders is sought enabling the Board of Directors of the company to contribute to such purposes subject to the limits as mentioned above.

During the year ended March 31, 2011 the Company made donations amounting to Rs.1.72 Lacs to charitable and other funds not directly relating to the business of the Company or the welfare of the employees. Since, the said donation exceeded the limits stipulated in the section, the members are requested to confirm and ratify the same.

None of the Directors of the Company is in any way interested in the Resolution.

The Board of Directors accordingly recommends the ordinary resolution as set out at item no.9 of the accompanying notice for the approval of the members.

Place : Ahmedabad

Date : June 6, 2011

By order of the Board of Directors

RAJESH H. SHAH

COMPANY SECRETARY



To

THE SHAREHOLDERS,

Your Directors have pleasure in presenting the 70th Annual Report together with Audited Statements of Accounts of the Company for the financial year ended 31st March, 2011.

FINANCIAL RESULTS:

	2010-2011 (Rs. in Lacs)		2009-2010 (Rs. in Lacs)	
Sales	33871.66		27557.28	
Operating Profit before Interest, Depreciation and Taxation	1697.17		1214.66	
Less : Interest	663.41		590.06	
Gross Profit	1033.76		624.60	
Less: Depreciation	462.26		434.95	
Profit before Tax	571.50		189.65	
Less : Current Taxation	121.50		34.50	
Provision for Deferred Tax	142.41	263.91	72.15	106.65
Net Profit for the year	307.59		83.00	
Add: Balance brought forward from previous year	65.11		77.74	
Amount available for Appropriation	372.70		160.74	
Appropriations :				
Transfer to General Reserve	100.00		50.00	
Proposed Dividend on Equity Shares	79.00		39.00	
Tax on Dividend	13.12	92.12	6.63	45.63
Balance carried forward to Balance Sheet	180.58		65.11	
	372.70		160.74	

YEAR IN RETROSPECT :

Your Directors are pleased to report that during the year under review, the turnover of your company has increased by 23% from Rs.27557 Lacs to Rs.33872 Lacs. There has been increase in the cost of almost all the inputs during the year under review. However, with better price realization of finished products, better product mix and continued application of stringent cost cutting measures your company has been able to improve its profitability at all levels. The Operating Profits of the company has increased to Rs.1697.17 Lacs as against Rs.1214.66 Lacs in the previous year. The Gross Profit of the company increased to Rs.1033.76 Lacs as against Rs.624.60 Lacs in the previous year and the Net Profit of the company also increased to Rs.307.59 Lacs as against Rs.83 Lacs in the previous year.

The overall technical performance of the company has continued to show a positive and improved trend.

FUTURE OUTLOOK :

The prices of all inputs including maize, lignite, coal, chemicals, electricity, labour etc. during the current year is showing a sharp upward trend. Your Directors are hopeful that the company would be able to maintain its profitability by better price realization of its products, improved efficiency and continued application of stringent cost cutting measures at all levels. Efforts are also on to further increase the activity of the company by introduction of new equipments, de-bottlenecking and automisation in the existing production processes. This will increase the production capacity and will improve the quality of the products and efficiency of the plants.

DIVIDEND :

With the improved performance of the company, your Directors recommend a dividend at the rate of Rs.100/- per Equity Share (Previous Year Rs. 65/- per Equity Share) for the financial year ended 31st March, 2011, 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 18th July, 2011.

The total outflow on account of dividend will be Rs.92.12 Lacs including dividend tax of Rs.13.12 Lacs.

TECHNICAL KNOW HOW & SERVICE AGREEMENT WITH TATE & LYLE:

The company has continued to avail the benefits of technical expertise from M/s Tate & Lyle, Belgium N.V.

EXPORTS :

Exports have continued to remain focused area of the company. As a result of this, export in quantitative terms increased by 14% during the year under review. The Export turnover of the company increased to Rs.8566.34 Lacs as against Rs.6356.63 Lacs in the previous year which indicates an increase of 35%. The company intends to continue with its long term export oriented marketing policy by exploring new avenues for its high value products.

ISO CERTIFICATION :

Your Directors are pleased to report that during the current year your company has been able to achieve ISO 9001:2008 certification which would help the company to further develop its international market.

GREEN INITIATIVE :

During the year under review, the company has commissioned new effluent treatment plant and modernise the existing effluent treatment plant for treating its effluents more efficiently and contributing towards green environment. The bio-gas generated while treating the effluents is being utilized to generate electricity which results in saving of power cost.

MARKETING :

The company continues its thrust on aggressive marketing to be amongst the front runners in the starch industry. Due to extensive and effective efforts of the company's sole selling agents, M/s L G & Doctor Associates Private Limited, there has been an increase in the turnover of your company in quantitative terms and the company has been able to achieve better price realization for its products. It is heartening to note that despite of increase in the turnover of the company by 23%, the total outstanding at the end of the year increased only marginally and average credit period has been reduced considerably as a result of the untiring efforts on the part of the sole selling agents.

INCREASE IN THE PAID UP CAPITAL :

During the year under review, there was an increase in the paid up capital of the company from Rs.60,00,000/- comprising of 60000 Equity Shares of Rs.100/- each to Rs.79,00,000/- comprising of 79000 Equity Shares of Rs.100/- each due to allotment of 19000 Equity Shares of Rs.100/- each for cash at a premium of Rs.1450/- per share to the promoter group on preferential basis pursuant to approval of shareholders of the company obtained at the last Annual General Meeting of the company and after complying with all other statutory formalities in this regards.

PUBLIC DEPOSITS :

Deposits totaling Rs.18.38 Lacs due for repayment on or before 31st March, 2011 were not claimed by the depositors on that date. As on the date of this report, deposits aggregating Rs.4.21 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 :

During the year under review, your company and its Board suffered a great set-back due to the sad demise of its Director, Dr. Biharilal Kanaiyalal, who passed away on 26th September, 2010. Dr. Biharilal Kanaiyalal was a Director of the company for more than three decades. In the time of crisis, he was able to steer the company with his visionary approach and persuasive nature as the Chairman of the Board. Under his able guidance, the company has witnessed all-round growth in both volume and profitability.

Shri Dashrath G. Patel, Director, who was a renowned Artist and Winner of the prestigious "Padmabhushan" Award, expired on 1st December, 2010 causing further loss of matured guidance to the company.

To strengthen the team of directors, Dr. Gaurang K. Dalal and Dr. Janak D. Desai, renowned doctors and senior professionals have been inducted on the board of directors. Shri Priyam B. Mehta, the Managing Director has been elevated as the Chairman and Managing Director of the company.

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, 2011 and of the profit of the company for that period.
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- (iv) the directors have prepared the annual accounts on a "going concern" basis.

APPRECIATION :

Your Directors express their deep sense of appreciation for the valuable and devoted services rendered by the Managing Director and the Executive Director 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 by way of working capital facilities and term loans at 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

Priyam Bipin Mehta
Chairman and Managing Director

Place : Ahmedabad
Date : 6th June, 2011

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, 2011.

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. The company has started operating fully automatic multiple effect evaporator in the syrup plant which has resulted into savings of steam and has reduced consumption of fossil fuel.
 2. The company has started biogas based hot water generator for heating of boiler feed water which has resulted in saving low pressure steam which in turn has reduced consumption of fossil fuel.

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

1. The company has placed orders for thermic fluid heater which will utilize bio-gas generated in the manufacturing process for drying Anhydrous Dextrose, which will replace the electrical heaters and save power.
2. The company proposes to replace barometric condensers by surface condensers which will generate vapour condensate equivalent to D M Water which will be utilized in the production processes of the company.
3. The company has placed orders for modified starch dryer heaters to utilize low pressure steam for enhancement of production so that the saved steam can be utilized for enhanced production.
4. The company proposes to revamp its existing multiple effect evaporator for Refinery plant which will result in further saving of steam which in turn would reduce consumption of fossil fuel.
5. The company is planning to have alternate source of water in the process which would reduce consumption of water and energy.
6. The company is in the process of installing variable frequency drives on certain important and high power consuming machineries for saving of power.
7. The company is in the process of modifying its water distribution system to reduce its raw water consumption.

(c) Impact of measures taken:

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

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

(A) Power and Fuel Consumption:

		2010-2011	2009-2010
1. Electricity			
a) Purchased			
Units	000 Kwh	8190	8032
Total amount	Rs. In Lacs	464.54	466.47
Rate/Unit	Rs.	5.67	5.81
b) Own Generation			
(i) Through Diesel Generator			
Units	000 Kwh	6	9
Unit per ltr. of diesel oil	Kwh	1.43	1.69
Cost/Unit	Rs.	83.46	69.40



		2010-2011	2009-2010
(ii) Through steam turbine/generator			
Units	000 Kwh	24995	24185
(iii) Through Gas Engine/ Generator Units	000 Kwh	5500	4519
2. Coal/Lignite/DoC			
Quantity	000 tons	85	84
Total cost	Rs. In Lacs	2860.56	2333.47
Average rate	Rs./Ton	3351	2782
3. Diesel Oil			
Quantity	K. Ltrs	4	6
Total amount	Rs. In Lacs	1.72	2.01
Average rate	Rs./Ltr.	38.38	36.05
4. Others			
Not Applicable			

(B) Consumption per unit of production.

		Standards	2010-2011	2009-2010
Electricity	Kwh	—	365	368
Diesel	Ltrs.	—	0.04	0.06
Coal	M.T.	—	0.81	0.84
Others		—	NIL	NIL

B. Technology Absorption:

Research and Development (R & D)

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

Technology Absorption, Adaptation & Innovation:

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
The company has adopted new technology in wet milling section which has reduced cost of production.
2. Benefits derived as a result of the above efforts :
The aforesaid efforts have resulted in cost reduction, higher output with better efficiency and better process control 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.11 (d) (II) and (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 ("the Company") as at 31st March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 the 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the 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 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, the Profit and 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 and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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 31st March, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on 31st March, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

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

H. P. Shah
Partner
(Membership No.33331)

Ahmedabad
Date: 6th June, 2011



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities, clauses (xiii) and (xiv) of CARO are not applicable.
- (ii) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
 - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Under the circumstances, provisions of clause (iii) (b), (iii) (c) and (iii) (d) of paragraph 4 of the Order are not applicable to the Company.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

 - (a) The Company has taken loans from five companies during the year. At the year-end, the outstanding balance of such loans taken aggregated Rs.1076.5 lacs and the maximum amount involved during the year was Rs.1167 lacs.
 - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company.
 - (c) In respect of loans taken by the Company, the interest payments are regular and the principal amount is repayable on demand.
 - (v) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs.5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the internal audit functions were carried out during the year by two firms of Chartered Accountants appointed by the Management. On the basis of reports made by the internal auditors to the management, the internal audit system is commensurate with the size of the Company and the nature of its business.

- (ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Bulk drugs (i.e. Anhydrous Dextrose) and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Custom Duty which have not been deposited as on 31st March, 2011 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs. in lacs)
Income Tax Act, 1961	Income Tax	Comm. of Income Tax (appeals), Ahmedabad	1996-97	2.34
Income Tax Act, 1961	Income Tax	Comm. of Income Tax (appeals), Ahmedabad	2006-07	2.66
Income Tax Act, 1961	Income Tax	Comm. of Income Tax (appeals), Ahmedabad	2008-09	2.20
Customs Act, 1962	MOT Charges	Comm. of Central Excise (Appeals)	2007-08, 2008-09, 2009-10, 2010-11	2.40

- (xi) The Company has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the financial year under report and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures.
- (xiii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained, other than temporary deployment pending application.
- (xvi) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long- term investment.
- (xvii) During the year, the Company has made preferential allotment of equity shares to a party and two companies covered in the Register maintained under Section 301 of the Companies Act, 1956. According to the information and explanations given to us, the price at which these shares are issued are not prejudicial to the interest of the Company.
- (xviii) During the year, no debentures have been issued by the Company and hence the question of creating securities in respect thereof does not arise.
- (xix) During the year, the Company has not raised money by way of public issue.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

H. P. Shah
Partner
(Membership No.33331)

Ahmedabad
Date: 6th June, 2011



BALANCE SHEET

SAYAJI INDUSTRIES LIMITED BALANCE SHEET AS AT 31ST MARCH, 2011.

	Schedule	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
I. SOURCES OF FUNDS :				
1. SHAREHOLDERS' FUNDS				
a) Share Capital	1	79.00		60.00
b) Reserves & Surplus	2	2527.61		2036.64
			2606.61	2096.64
2. LOAN FUNDS				
a) Secured Loans	3	3673.68		4879.57
b) Unsecured Loans	4	1805.50		1866.73
			5479.18	6746.30
3. DEFERRED TAX LIABILITY (Note No.7 of Schedule 17)			756.39	613.98
Total			8842.18	9456.92
II. APPLICATION OF FUNDS :				
1. FIXED ASSETS	5			
a) Gross Block		11989.44		10971.15
b) Less: Depreciation		5154.41		4724.36
c) Net Block		6835.03		6246.79
d) Capital work in progress		831.04		492.44
			7666.07	6739.23
2. INVESTMENTS	6		151.30	129.30
3. CURRENT ASSETS, LOANS & ADVANCES				
a) Inventories	7	3176.49		3899.38
b) Sundry Debtors	8	2666.84		2475.98
c) Cash and Bank Balances	9	92.38		139.45
d) Loans and Advances	10	517.18		610.41
			6452.89	7125.22
Less: Current Liabilities and Provisions	11	5428.08		4539.86
Net Current Assets			1024.81	2585.36
4. Miscellaneous Expenditure (To the extent not written off or adjusted) Voluntary Retirement Compensation			—	3.03
Total			8842.18	9456.92
Significant Accounting Policies	16			
Notes on Accounts	17			

As per our attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

P. B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

M. N. Shah
Director

H. P. Shah
Partner

V. M. Mehta
Director

Vishal P. Mehta
Director

Dr. G. K. Dalal
Director

Dr. J. D. Desai
Director

N. J. Deora
Sr. Vice President (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 6th June, 2011.

Ahmedabad
Date: 6th June, 2011.

SAYAJI INDUSTRIES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011.

	Schedule	Rupees in Lacs	For the year 2010-11 Rupees in Lacs	Previous year 2009-10 Rupees in Lacs
INCOME :				
Sales		33871.66		27557.28
Less: Excise Duty & VAT		2353.08		1572.77
Net Sales			31518.58	25984.51
Other Income	12		40.45	27.88
Increase /(Decrease) in stock of Finished Goods and Process Stock	13		83.48	(49.26)
			31642.51	25963.13
EXPENDITURE :				
Manufacturing and Other Expenses	14	29945.34		24748.47
Depreciation		462.26		434.95
Interest	15	663.41		590.06
			31071.01	25773.48
Profit before Tax			571.50	189.65
Provision for Tax				
Current Tax (including Wealth Tax)		121.50		34.50
Deferred Tax (Note No.7 of Schedule 17)		142.41		72.15
			263.91	106.65
Profit after Tax			307.59	83.00
Balance brought forward from previous year			65.11	77.74
Amount available for Appropriations.			372.70	160.74
APPROPRIATIONS :				
Transfer to General Reserve			100.00	50.00
Dividend :				
Proposed Dividend		79.00		39.00
Tax on Dividend		13.12		6.63
			92.12	45.63
Balance carried to Balance Sheet			180.58	65.11
			372.70	160.74
	Total		427.99	138.33
Basic and Diluted EPS (Note No.13 of Schedule 17) in Rupees				
Significant Accounting Policies	16			
Notes on Accounts	17			

As per our attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

P. B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

M. N. Shah
Director

H. P. Shah
Partner

V. M. Mehta
Director

Vishal P. Mehta
Director

Dr. G. K. Dalal
Director

Dr. J. D. Desai
Director

N. J. Deora
Sr. Vice President (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 6th June, 2011.

Ahmedabad
Date: 6th June, 2011.

PROFIT AND LOSS ACCOUNT



CASH FLOW STATEMENT

SAYAJI INDUSTRIES LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	Year ended 31 st March, 2011		Year ended 31 st March, 2010	
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		571.50		189.65
Adjustments for:				
Depreciation	462.26		434.95	
Interest Expenses	663.41		590.06	
Dividend	(24.07)		(18.15)	
(Profit)/Loss on sale of Fixed Assets	18.47		14.09	
(Increase)/Decrease in Misc. Expenses	3.03		3.02	
(Profit) on Sale of Investment	—		(1.12)	
		1123.10		1022.85
Operating profit before working capital changes		1694.60		1212.50
Adjustments for:				
Trade and Other Receivables	(116.90)		(312.33)	
Inventories	722.89		(1543.77)	
Trade Payables	841.73		767.65	
		1447.72		(1088.45)
Cash Generated From Operations		3142.32		124.05
Taxes paid		(102.23)		(25.29)
Net Cash From Operating Activities		3040.09		98.76
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	(1450.86)		(769.68)	
Sale of Fixed Assets	43.29		18.40	
Sale of Investments	—		76.15	
Purchase of Investments	(22.00)		(75.08)	
Dividend Received	24.07		18.15	
Net Cash From Investing Activities		(1405.50)		(732.06)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity Shares (including Premium)	294.50		—	
Proceeds/(repayment) from Borrowings	(1267.12)		1298.01	
Interest Paid (Net of interest received - Rs.3.57 Lacs) (Previous Year - Rs.4.04 Lacs)	(663.41)		(590.06)	
Dividend & Tax thereon paid	(45.63)		(42.12)	
Net Cash Generated in Financing Activities		(1681.66)		665.83
Net Changes in Cash & Cash Equivalents (A-B-C)		(47.07)		32.53
Add: Cash and Cash Equivalents at the beginning of the year		139.45		106.92
Cash and Cash Equivalents at the end of the year		92.38		139.45

Notes:

- The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Cash and cash equivalents include deposits with banks of Rs.2.15 Lacs (Previous Year Rs.2.15 Lacs) of margin money, which amount is not available for immediate use.

As per our attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

P. B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

M. N. Shah
Director

H. P. Shah
Partner

V. M. Mehta
Director

Vishal P. Mehta
Director

Dr. G. K. Dalal
Director

Dr. J. D. Desai
Director

N. J. Deora
Sr. Vice President (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 6th June, 2011.

Ahmedabad
Date: 6th June, 2011.

Schedule : 1

SHARE CAPITAL :

	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Authorised:		
2,00,000 Equity Shares of Rs.100/- each	200.00	200.00
Total	<u>200.00</u>	<u>200.00</u>
Issued, Subscribed and Paid up:		
79,000 (Previous Year – 60,000) Equity Shares of Rs.100/- each fully paid up.	79.00	60.00
Total	<u>79.00</u>	<u>60.00</u>

NOTES: 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.
- (iii) 19,000 (Previous Year – Nil) Equity shares of the face value of Rs.100/- each were allotted during the year at a premium of Rs.1450/- per share on preferential basis to promoter group shareholders.

Schedule : 2

RESERVES AND SURPLUS:

	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Capital Reserve :		
Balance as per last Balance Sheet	2.79	2.79
Capital Redemption Reserve :		
Balance as per last Balance Sheet	53.59	53.59
Share Premium Account:		
Received during the year.	275.50	—
General Reserve :		
Balance as per last Balance Sheet	1915.15	1865.15
Add: Transfer from Profit & Loss Account	100.00	50.00
	<u>2015.15</u>	<u>1915.15</u>
Balance of Profit & Loss Account	<u>180.58</u>	<u>65.11</u>
Total	<u>2527.61</u>	<u>2036.64</u>

Schedule : 3

SECURED LOANS :

	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
From Banks:		
Term Loans*	811.66	1497.68
Working Capital Loans **	2215.07	2734.80
Temporary Over Draft Facility*	646.95	647.09
Total	<u>3673.68</u>	<u>4879.57</u>

* Term Loans 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 fixed Assets of the Kathwada Unit. Corporate term loan is collaterally secured by hypothecation of plant and machinery of Kathwada Unit excluding specific plant and machinery, if any, purchased and/or to be purchased under any scheme of financial institution/bank and other assets excluded for the charge and also by mortgage of land and building of Kathwada Unit. The term loan for purchase of Building and Temporary Over Draft facilities are secured by way of equitable mortgage of the buildings at Mumbai.

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

**Schedule : 4
UNSECURED LOANS:**

	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Fixed Deposits	729.00	716.73
Deposits from Companies	1076.50	1150.00
Total	1805.50	1866.73

**Schedule : 5
FIXED ASSETS:**

(Rupees in Lacs)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK	
	As at 1-4-2010	Additions	Deductions	As at 31-3-2011	Upto 1-4-2010	For the Year	On Deductions	Upto 31-3-2011	As at 31-3-2011	As at 31-3-2010
Land	0.80	—	—	0.80	—	—	—	—	0.80	0.80
Buildings	1161.17	88.68	—	1249.85	297.10	36.55	—	333.65	916.20	864.07
Plant & Machinery	9400.87	911.63	15.06	10297.44	4225.25	395.64	3.31	4617.58	5679.86	5175.62
Furniture & Office Equipments	180.46	26.44	—	206.90	132.25	8.96	—	141.21	65.69	48.21
Vehicles	227.50	85.51	78.91	234.10	69.42	21.11	28.90	61.63	172.47	158.08
Agricultural Equipment	0.35	—	—	0.35	0.34	—	—	0.34	0.01	0.01
Total	10971.15	1112.26	93.97	11989.44	4724.36	462.26	32.21	5154.41	6835.03	6246.79
Previous Year	10112.17	985.68	126.70	10971.15	4383.62	434.95	94.21	4724.36	6246.79	

Notes:

Buildings include:

- a) Rs.313.42 Lacs (Previous Year Rs.313.42 Lacs) being cost of ownership premises in a co-operative housing society including cost of fifteen shares of the face value of Rs.750/- received under the Bye-laws of the Society in the name of the Company.
- b) Rs.2.62 Lacs (Previous Year Rs.2.62 Lacs) paid to M. Vishvasarya Industrial and Research Centre, Bombay as advance rent for premises acquired by the Company on 60 years lease. The proportionate amount of advance rent is written off as depreciation.
- c) Rs.4.50 Lacs (Previous Year Rs.4.50 Lacs) being cost of ownership premises in cloth market association including cost of one share of the face value of Rs.100/- received under rules and regulations of the association in the name of the Company.

Schedule : 6
INVESTMENTS (AT COST):

	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Long Term Investments : (Other than trade)			
In Government Securities			
(Matured and remained unrealised) (Unquoted)			
6 years National Savings Certificates (Deposited with Government department)		0.10	0.10
Other Investments :			
(Quoted)			
1000 Equity Shares of Rapicut Carbide Ltd., of Rs.10/- each	0.05		0.05
472 Shares of Punjab National Bank of Rs.10/- each	1.84		1.84
48900 Units of Principal PNB Long Term Equity Fund 3 Year Plan – Series II	6.43		6.43
		<u>8.32</u>	<u>8.32</u>
(Unquoted)			
4500 Equity Shares of Cama Hotels Ltd., of Rs.10/- each	0.58		0.58
2500 Equity Shares of Sterling (Guj.) Hospitals Ltd., of Rs.10/- each	0.25		0.25
1200000 Equity Shares of Sayaji Sethness Ltd., of Rs.10/- each	120.00		120.00
215200 (Previous Year – 15,200) Equity Shares of Ahmedabad Commodity Exchange of Rs.10/- each.	22.05		0.05
		<u>142.88</u>	<u>120.88</u>
Total		<u>151.30</u>	<u>129.30</u>
		Cost	Market Value
		Rupees In Lacs	Rupees In Lacs
1. Aggregate of quoted Investments Previous Year		8.32 (8.32)	11.26 (10.51)
2. Aggregate of unquoted Investments Previous Year		142.98 (120.98)	— (—)

Schedule : 7
INVENTORIES:

	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Stores and Spare Parts	200.10		252.66
Coal and Lignite	30.61		32.34
		<u>230.71</u>	<u>285.00</u>
Stock-in-trade:			
Raw Materials	1490.30		2242.38
Finished Goods	566.97		536.77
By Products	78.03		192.78
Process Stock.	810.48		642.45
		<u>2945.78</u>	<u>3614.38</u>
Total		<u>3176.49</u>	<u>3899.38</u>



**Schedule : 8
SUNDRY DEBTORS:**

	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Unsecured :			
Considered Good:			
Debts outstanding for a period exceeding six months	129.69		123.90
Others	2537.15		2209.04
		2666.84	2332.94
Considered doubtful	21.71		150.05
Less: Provision	21.71		7.01
		—	143.04
Total		2666.84	2475.98

**Schedule : 9
CASH AND BANK BALANCES:**

	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Cash on hand		20.48	19.09
With Scheduled Banks:			
In Current Accounts	22.11		70.57
In Fixed Deposit Accounts (Including Rs.2.15 Lacs against guarantee given by the Bank) (Previous Year Rs.2.15 Lacs)	49.79		49.79
		71.90	120.36
Total		92.38	139.45

**Schedule : 10
LOANS AND ADVANCES:**

	Rupees in Lacs	As at 31-3-2011 Rupees in Lacs	As at 31-3-2010 Rupees in Lacs
Unsecured Considered Good:			
Advances recoverable in cash or in kind or for value to be received.*		377.70	475.71
Balance with Central Excise Department		68.71	44.66
Advance Income Tax (net of Taxation Provision)		70.77	90.04
Total		517.18	610.41

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

	24.54	11.61
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Maximum outstanding balance during the year.	24.54	11.61
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Schedule : 11**CURRENT LIABILITIES & PROVISIONS:**

		As at 31-3-2011	As at 31-3-2010
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
Current Liabilities:			
Sundry Creditors (Note No.6 of Schedule 17)	4934.25		4162.54
Unclaimed Dividend*	12.16		11.56
		4946.41	4174.10
Provisions:			
Provision for Employee Benefits	389.55		320.13
Proposed Dividend	79.00		39.00
Tax on Dividend	13.12		6.63
		481.67	365.76
Total		5428.08	4539.86

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

Schedule : 12**OTHER INCOME:**

		For the Year 2010-11	Previous Year 2009-10
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
Dividend – From Long Term Investments (Other than trade)		24.07	18.15
Miscellaneous Income		9.66	5.96
Excess Provision of Expenditure of earlier years		6.72	3.77
Total		40.45	27.88

Schedule : 13**INCREASE/(DECREASE) IN STOCK OF FINISHED GOODS AND PROCESS STOCK:**

		For the Year 2010-11	Previous Year 2009-10
	Rupees in Lacs	Rupees in Lacs	Rupees in Lacs
Stock as at 31st March, 2011:			
Finished Goods	566.97		536.77
Bye Products	78.03		192.78
Process Stock	810.48		642.45
		1455.48	1372.00
Less: Stock as at 1st April, 2010			
Finished Goods	536.77		780.79
Bye Products	192.78		84.65
Process Stock	642.45		555.82
		1372.00	1421.26
Total		83.48	(49.26)



Schedule : 14
MANUFACTURING AND OTHER EXPENSES:

	Rupees in Lacs	For the Year 2010-11 Rupees in Lacs	Previous Year 2009-10 Rupees in Lacs
Raw materials consumed		17859.23	14769.63
Purchases of goods traded in		46.49	106.55
Payments to and Provisions for employees:			
Salaries, wages and bonus	1917.98		1554.39
Voluntary Retirement Compensation amortised	3.03		3.02
Contribution to provident and other funds	257.52		200.07
Welfare expenses	152.90		121.22
		<u>2331.43</u>	<u>1878.70</u>
Operational and other expenses:			
Stores and spare parts consumed	2891.96		2654.49
Power and Fuel	3327.63		2803.83
Rent	13.45		14.78
Repairs:			
Buildings	76.13		20.95
Machinery	576.34		378.24
Others	250.24		71.17
Insurance	18.54		18.95
Rates & Taxes (Refer Note No.4 of Schedule 17)	193.78		154.55
Technical know how & service fee	30.16		14.98
Stationery, Printing, Advertisements, Postage, Telephone etc.	75.40		62.55
Brokerage and Commission (including Rs.261.53 Lacs paid to Sole Selling Agent) (Previous Year Rs.231.02 Lacs)	367.80		317.73
Sales Expenses	1256.30		981.28
Auditors Remuneration	7.29		6.76
Cost Auditors Remuneration	0.30		0.43
General Charges (including vehicle expenses, conveyance, Legal charges, subscription, cash discount, Travelling expenses etc.)	536.42		431.94
Loss on Sale of Fixed Assets (Net)	18.47		14.09
Provision for doubtful debts	14.70		—
Sundry balances written off (Net)	2.85		—
Donation	1.72		0.95
		<u>9659.48</u>	<u>7947.67</u>
Directors' Fees		0.92	0.46
Managerial Remuneration		47.79	45.46
Total		<u>29945.34</u>	<u>24748.47</u>

Schedule : 15
INTEREST (NET):

	Rupees in Lacs	For the Year 2010-11 Rupees in Lacs	Previous Year 2009-10 Rupees in Lacs
On Fixed Loans		301.38	301.06
Others (Net of Interest income of Rs. 3.57Lacs) (Previous Year Rs.4.04 Lacs)		362.03	289.00
Total		<u>663.41</u>	<u>590.06</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."

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 fixed 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:

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

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

Finished goods 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.

By 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.



Schedule: 16 (Contd..)

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.

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

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.

14. Foreign Currency Transactions:

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

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

At the year end, monetary items denominated in foreign currency are reported using the closing rate of exchange. In cases of items which are covered by forward exchange contracts, the differences between the year end rates and rate on the date of contract is recognised as exchange difference and the premium paid on forward contract is recognised over the life of contract.

Non monetary foreign currency items are carried at historical cost.

15. Taxes on Income:

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

	As at 31.3.2011	As at 31-3-2010
	Rupees in Lacs	Rupees in Lacs
1. Corresponding figures of the previous year have been re-grouped to make them comparable with the figures of the current year wherever necessary.		
2. Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	100.23	50.49
3. Contingent liabilities not provided for :		
a) Bills discounted but not matured	286.27	137.83
b) Guarantees given by the Bankers on behalf of the Company.	2.15	2.15
c) Demand of Central Excise Department for Excise Duty, which the Company has not admitted and has appealed against.	5.08	—
d) Disputed demand of Income tax as the Company expects to succeed in the appeal.	7.20	5.00
4. 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".		
5. 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		
6. There are no dues to Micro, Small and Medium Enterprises as at 31 st March, 2011. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.		
7. Deferred Tax		
The components of deferred tax liability (net) are as follows		
Particulars	As at	As at
	March 31, 2011	March 31, 2010
	(Rs. in Lacs)	(Rs. in Lacs)
Deferred Tax Liability:		
Depreciation	(962.26)	(925.83)
Deferred Tax Assets:		
Unabsorbed Depreciation	97.76	222.23
Provision for Employee benefits	108.11	89.62
Deferred tax asset /(liability) (Net)	<u>(756.39)</u>	<u>(613.98)</u>

Schedule : 17 (Contd.)
NOTES FORMING PART OF ACCOUNTS:

8 Employee Benefits

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

Details of post retirement benefits are as follows:

1. Defined Benefit Plans

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

Particulars	Gratuity	(Rs. In Lacs) Leave Encashment
i. Expenses recognized in Profit & Loss Account for the period ended March 31, 2011		
Current Service cost	27.78	15.15
Interest Cost	58.11	7.12
Expected return on plan assets	(41.88)	—
Net actuarial losses (gains)	97.97	5.30
Total Expenses	141.98	27.57
ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2010	726.40	89.04
Service cost	27.78	15.15
Interest cost	58.11	7.12
Actuarial losses (gains)	97.97	5.30
Losses (gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid	(102.03)	(12.44)
Closing defined benefit obligation as at March 31, 2011	808.23	104.17
iii. Reconciliation of Opening and Closing balances of changes in fair value of the assets		
Opening fair value of plan assets as at April 1, 2010	495.30	—
Expected return on plan assets	41.88	—
Actuarial gains and (losses)	—	—
Assets distributed on settlements	—	—
Contributions by employer	87.70	—
Benefits paid	102.03	—
Closing balance of fair value of plan assets as at March 31, 2011.	522.85	—

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

iv. Net Liability recognized in the Balance Sheet as at March 31, 2011

Defined Benefit Obligation as at March 31, 2011	808.23	104.17
Fair Value of plan assets as at March 31, 2011	522.85	—
Present Value of unfounded obligation recognized as liability as at March 31, 2011	285.38	104.17

v. Actual Return on Plan Assets

—

vi. Actuarial Assumptions

As at 31st March, 2011

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

- The Discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the Fund during the estimated term of obligations.
- Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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

viii. Experience History

	Gratuity			Leave Encashment		
	31st March 2011 (Rs.)	31st March 2010 (Rs.)	31st March 2009 (Rs.)	31st March 2011 (Rs.)	31st March 2010 (Rs.)	31st March 2009 (Rs.)
Present value of defined benefit obligations at the end of the year	808.23	726.40	655.42	104.17	89.04	84.43
Fair value of plan assets at the end of the year	522.85	495.30	447.93	—	—	—
Net assets / (liability) at the end of year	285.38	231.10	207.49	104.17	89.04	84.43

c) Defined Contribution Plans.

Rs.122.95 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 Rs.107.33 Lacs)



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

9. 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	2010-11	2009-10
	Rupees in Lacs	Rupees in Lacs
1. Sales		
(a) India	22952.24	19627.88
(b) Outside India	8566.34	6356.63
Total	<u>31518.58</u>	<u>25984.51</u>
2. Other Income		
(a) India	40.45	27.88
(b) Outside India	—	---
Total	<u>40.45</u>	<u>27.88</u>
Segment Assets		
1. Carrying amount		
(a) India	11980.82	10963.80
(b) Outside India	8.62	7.35
Total	<u>11989.44</u>	<u>10971.15</u>
2. Additions		
(a) India	1103.64	985.68
(b) Outside India	8.62	—
Total	<u>1112.26</u>	<u>985.68</u>
10. The profit and loss account includes:		
(i) Auditors Remuneration:		
a) Audit Fee	4.00	2.00
b) Taxation matters	1.58	3.00
c) Tax Audit Fee	—	0.50
d) Other Services	1.54	1.25
e) Out of Pocket Expenses.	0.17	0.01
	<u>7.29</u>	<u>6.76</u>
(ii) Managerial Remuneration:		
a) Remuneration to the Managing Directors & Executive Director:		
Salary	33.12	32.85
Contribution to Provident & Other funds	10.53	11.29
Perquisites in Cash	4.14	1.32
	<u>47.79</u>	<u>45.46</u>
b) Estimated monetary value of perquisites evaluated as per Income Tax Rules	2.11	3.43

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

11 Quantitative Information:

(a) Licenced and Installed Capacity and Production:

	Licenced Capacity* M.T.	Installed Capacity** M.T.	Production meant for Sale M.T.
Starches	N. A	85,000 (85,000)	38,429 (38,125)
Process Foods	N. A	1,11,780 (1,11,780)	62,371 (57,552)
Drugs & Pharmaceuticals	N. A	7,200 (7,200)	7,713 (7,009)

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

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

(b) Stock and Sales:

Class of Goods	Stock at Commencement		Stock at Close		Sales	
	M.T.	Rupees in Lacs	M. T.	Rupees in Lacs	M. T.	Rupees in Lacs
Starches	798 (2155)	139.85 (354.09)	1200 (798)	252.38 (139.85)	38027 (39482)	8360.95 (7105.59)
Process Foods	1686 (2028)	379.24 (414.63)	1139 (1686)	296.28 (379.24)	62918 (58120)	15310.50 (11963.61)
Drugs & Pharmaceuticals	54 (37)	17.68 (11.83)	49 (54)	18.31 (17.68)	7718 (6992)	3129.34 (2363.08)
By Products & Others		192.78 (87.62)		78.03 (192.78)		4717.79 (4552.23)
Total		<u>729.55</u> <u>(868.17)</u>		<u>645.00</u> <u>(729.55)</u>		<u>31518.58</u> <u>(25984.51)</u>

(c) Purchase of Finished Goods:

	M. T.	Rupees in Lacs
Sorbitol	— (226)	— (53.53)
Others		46.49 (53.02)
Total		<u>46.49</u> <u>(106.55)</u>



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

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

	M. T.	Rupees in Lacs
Maize	165165 (155755)	17648.63 (14698.63)
Maize Starch	543 (—)	135.44 (—)
Dextrose	32 (82)	11.86 (19.57)
Others		63.30 (51.43)
Total		17859.23 <u>(14769.63)</u>

II) Details of Imported Materials:

		Rupees in Lacs	
a) C.I. F. Value of Imported Materials:			
i) Stores, Spare parts & Chemicals		337.95 (350.42)	
ii) Machineries		25.31 (58.84)	
b) Consumption:			
	Raw Materials	Stores, Spares Chemicals	
	Rupees in Lacs	Rupees in Lacs	%
1. Imported	— (—)	452.72 (440.97)	15.65 (16.61)
2. Indigenous	17859.23 (14769.63)	2439.24 (2213.52)	84.35 (83.39)
Total	17859.23 <u>(14769.63)</u>	2891.96 <u>(2654.49)</u>	100.00 <u>(100.00)</u>

III) Particulars regarding Foreign Exchange:

	Rupees in Lacs
a) Expenditure on accrual basis in foreign currency:	
1) Travelling	19.10 (13.91)
2) Subscription for periodicals	0.05 (0.13)
3) Technical Know-how & Service Fees	30.16 (14.98)
4) Commission	21.37 (30.08)
5) Overseas Office Expenses	46.53 (34.95)
b) Earnings in foreign currency:	
FOB Value of Exports	8052.39 (5972.12)

(Figures in brackets are of Previous Year)

Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

12 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.
Varun Travels (Pvt.) Ltd.,

Key Managerial Personnel:

Shri Priyam B. Mehta
Shri Varun P. Mehta

Relatives of Key Managerial Personnel:

Smt. Sujata P. Mehta
Dr. Biharilal Kanaiyalal
Shri Vishal P. Mehta

(B) Related Party Transactions and Balances:

[Rs. In Lacs]

Transactions	Associate Companies	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Sale of Goods	601.42 (479.32)	— (—)	— (—)	601.42 (479.32)
Purchase of Goods	717.38 (599.63)	— (—)	— (—)	717.38 (599.63)
Inter Corporate Deposits Received	229.00 (252.00)	— (—)	— (—)	229.00 (252.00)
Inter Corporate Deposits Paid	302.50 (240.00)	— (—)	— (—)	302.50 (240.00)
Interest paid on Deposits	97.39 (100.57)	— (—)	8.47 (7.93)	105.86 (108.50)
Remuneration	— (—)	47.79 (45.46)	— (—)	47.79 (45.46)
Reimbursement of expenses	24.76 (10.52)	— (—)	— (—)	24.76 (10.52)
Services Received	38.88 (28.19)	— (—)	— (—)	38.88 (28.19)
Rent Received	2.53 (2.53)	— (—)	— (—)	2.53 (2.53)
Debit Balances outstanding As on 31.03.2011.	124.38 (49.18)	— (—)	— (—)	124.38 (49.18)
Credit Balances outstanding As on 31.03.2011	1087.89 (1301.27)	— (—)	74.57 (78.07)	1162.46 (1379.34)

(Figures in brackets are of Previous Year)



Schedule : 17 (Contd..)

NOTES FORMING PART OF ACCOUNTS:

13. Earnings per Share:

	2010-2011	2009-2010
a) Weighted average number of equity shares of Rs.100/- each.		
Number of Shares at the beginning of the year	60,000	60,000
Number of Shares at the end of the year	79,000	60,000
Weighted average number of equity shares outstanding during the year	71,868	60,000
b) Net Profit after tax available for Equity Shareholders (Rs. In Lacs)	307.59	83.00
c) Basic and diluted Earnings Per Share (Rupees)	427.99	138.33

14. 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, 2011 is as follows:

Hedged Exposures

	No. of Contracts	Foreign Currency Amount	Reporting Currency Amount
Forward cover for export receivables	1	US \$ 8360	Rs.3,81,634/-
Forward cover for import payables	—	—	—

Unhedged Exposures

	Foreign Currency Amount	Reporting Currency Amount
Accounts Receivable	US \$ 1899531	Rs.8,46,91,244/-
	Euro 368760	Rs.2,33,78,646/-

SIGNATURE TO SCHEDULE 1 TO 17

As per our attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

P. B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

M. N. Shah
Director

H. P. Shah
Partner

V. M. Mehta
Director

Vishal P. Mehta
Director

Dr. G. K. Dalal
Director

Dr. J. D. Desai
Director

N. J. Deora
Sr. Vice President (Accounts)

Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 6th June, 2011.

Ahmedabad
Date: 6th June, 2011.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.	00471/TA	State Code	04
Balance Sheet date	31 st March, 2011		

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

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	1900

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

Total Liabilities	884218	Total Assets	884218
Paid-up Capital	7900	Net Fixed Assets	766607
Reserves & Surplus	252761	Investments	15130
Secured Loans	367368	Net Current Assets	102481
Unsecured Loans	180550	Miscellaneous Expenditure	Nil
Deferred Tax Liability	75639	Accumulated Losses	Nil

IV Performance of Company (Amount in Rs. Thousands)

Turnover	3151858	Total Expenditure	3094708
Profit Before Tax	57150	Profit After Tax	30759
Earning per Share in Rs.	427.99	Dividend Rate %	100%

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

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

SIGNATURE TO SCHEDULE 1 TO 17

As per our attached Report of even date

For Deloitte Haskins & Sells
Chartered Accountants

P. B. Mehta
Chairman & Managing Director

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Executive Director

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Rajesh H. Shah
Company Secretary

Ahmedabad
Date: 6th June, 2011.

Ahmedabad
Date: 6th June, 2011.



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SAYAJI INDUSTRIES LIMITED

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

PROXY FORM

I/We _____
of _____ in the District of _____ being
a member/members of the above named Company hereby appoint _____
_____ of _____
in the District of _____ or failing him _____
_____ of _____
in the District of _____ as my/our proxy to vote for
me / us on / my / our behalf at the 70th Annual General Meeting of the Company to be held on
Tuesday, 26th July, 2011 and the any adjournment thereof.

Signed this _____ day of _____ 2011

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 ઇન્ડસ્ટ્રી લિમિટેડ

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

વાર્ષિક સામાન્ય સભા

પ્રવેશ પત્ર
ફક્ત એક વ્યક્તિ માટે

તારીખ : ૨૬-૭-૨૦૧૧

સમય : સવારે ૧૦-૩૦ વાગે

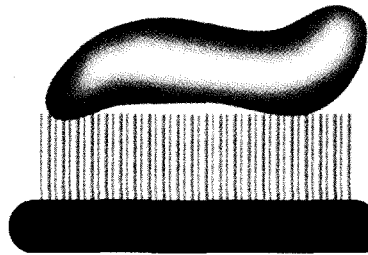
સ્થળ : પો.ઓ. કઠવાડા, મેઈઝ પ્રોડક્ટ્સ, અમદાવાદ - ૩૮૨ ૪૩૦.

૧. શેરહોલ્ડર સાહેબો માટે મંગળવાર, ૨૬-૭-૨૦૧૧ ના રોજ બોલાવેલ ૭૦મી વાર્ષિક સામાન્ય સભામાં હાજરી આપવા માટે બસની વ્યવસ્થા કરવામાં આવી છે. બસ સારંગપુર દરવાજા, અમદાવાદથી સવારના ૯-૪૫ 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 અંધ કરી દેવામાં આવી છે વાર્ષિક અહેવાલની ગુજરાતી નકલ આપવાની પ્રથા અંધ 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 સંબંધોમાં સભામાં પ્રવેશ આપવામાં આવશે નહીં તેની સભાસદોએ નોંધ લેવી.

ફોલીઓ નં./
બેનીફિશીએરી A/c. નં. :

શેરની સંખ્યા

હાજર રહેનાર શેર/પ્રોક્ષી હોલ્ડરની સહી



HOW MANY TIMES A DAY DO YOU COME IN CONTACT WITH CORN?

Almost every time !

Take the first thing in the morning - The toothpaste. Do you know there is corn in toothpaste? Or the lustre of lipstick and smoothness of soap is due to corn ? Do you know the usefulness of corn in the manufacture of cloth, paper, medicines, dry cell batteries, toffees, ice-creams and even cattle feed ?

It is amazing. Isn't it ? We, at Maize Products turn simple corn into a range of products which help in manufacturing hundreds of end products that are linked with our day-to-day living.

Textiles :

The colours, the shine and the finish of cloth is made possible by our starches and their derivatives.

Paper :

Oxidised starch - sayatex is used in paper to get the stiffness, appearance, erasibility and for various surface coatings.

Confectionery/Food :

Liquid glucose prevents the toffees from cracking. Glucose powder, the energy food, contains more than 95% of our dextrose monohydrate. Maizosweet (High maltose corn syrup), has a wide range of applications in beverages, ice-creams, jams, jellies, canned food and bakery.

Drugs and Pharmaceuticals :

Dextrose anhydrous is the basic raw material for glucose saline, hydrol, corn steep liquor, and dextrose monohydrate are our products used mainly in penicillin, streptomycin etc. Sorbitol is the basic raw material to manufacture Vitamin C.

Toothpaste and Cosmetics :

Sorbitol works as a nonsticking and smoothening agent in the manufacture of toothpaste, soaps and cosmetics.

Today, we have succeeded in converting corn into a wonder raw material.

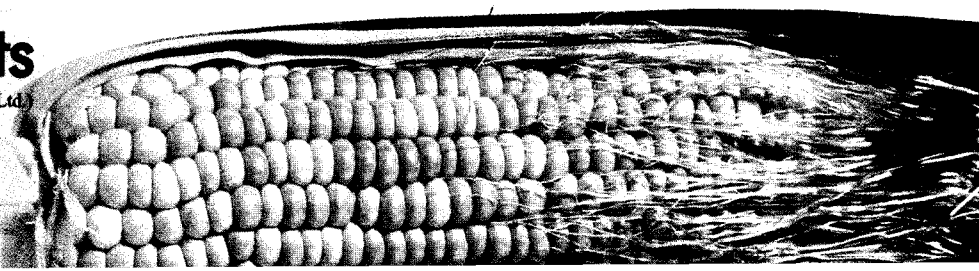
We are very close to you.

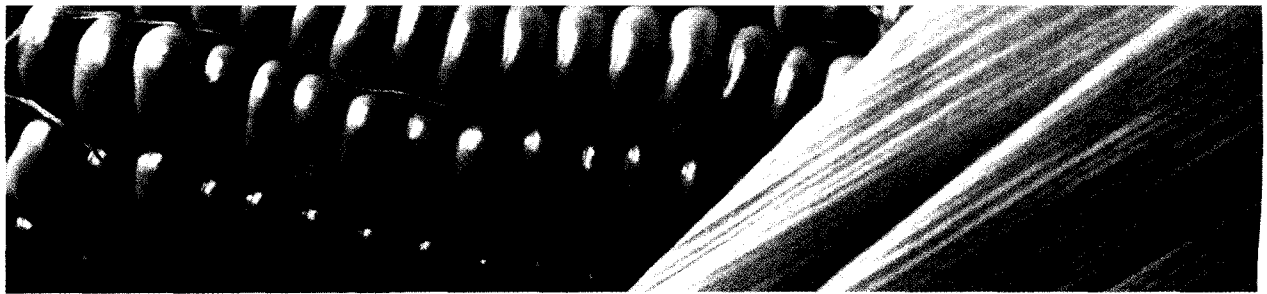


Maize Products

(A division of Sayaji Industries Ltd.)

P.O. Kathwada-Maize Products,
Ahmedabad-382 430
Phone : +91 (79) 22901581 to 85
Fax : +91 (79) 22902424, 22901013
www.maizeproducts.com





CORN-ONE OF THE GREATEST WONDERS EVER DISCOVERED.



Would you ever believe that corn helps to save thousands of lives every year?

Yes, corn has such vital medicinal applications that it has come to be known as one of the greatest wonders.

Since last 7 decade, we at Maize Products are converting simple com into a range of basic raw materials for many life saving drugs and other similar pharmaceutical products.

Corn Steep Liquor :

This product has a vital function in the manufacture of penicillin, streptomycin and other anti-biotics. It is also a good source for the manufacture of an important member of b-complex group of vitamins.

Anhydrous Dextrose IP :

Having its noteworthy contribution in the field of medicine, this product is widely used in intravenous injections (saline) and has been serving humanity since years as a life saving medium. It prevents dehydration, helps in cases of excessive blood loss due to injuries and is widely used during comas and operations.

Dextrose Monohydrate :

More popularly known as glucose, this product has many other medicinal applications apart from being a quick energy giving agent. It is used for insulin shocks in diabetes, and it also maintains the blood sugar level during unusual exertion.

Dextrose Monohydrate is also recommended for infant feeding. A base for Vitamin-C is obtained through a certain process on it.

So next time you wish "Get Well Soon" to someone close to you, think of corn.

We are very close to you.

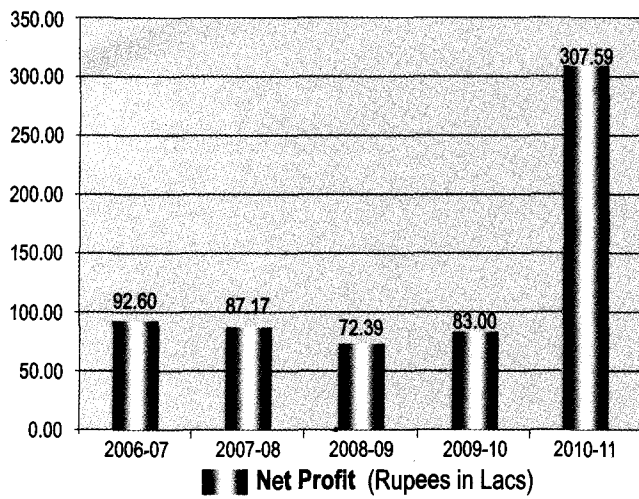
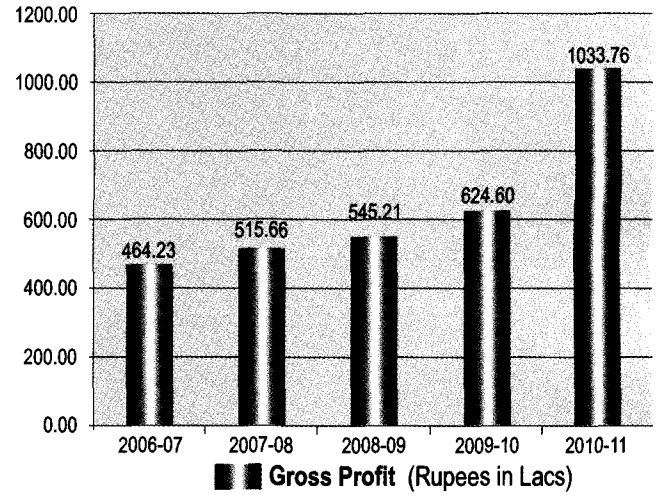
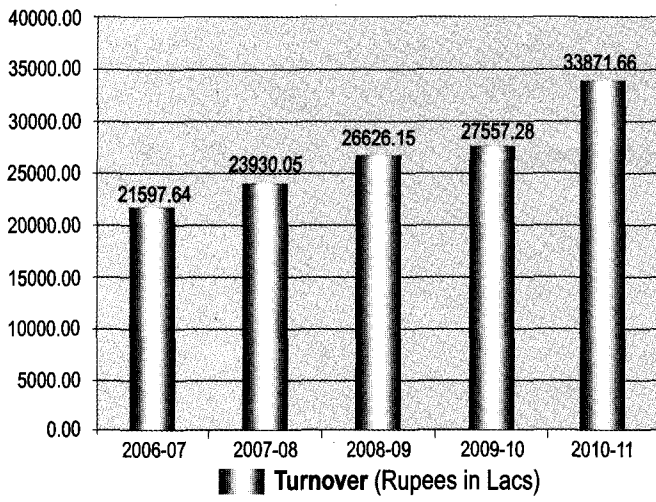


Maize Products

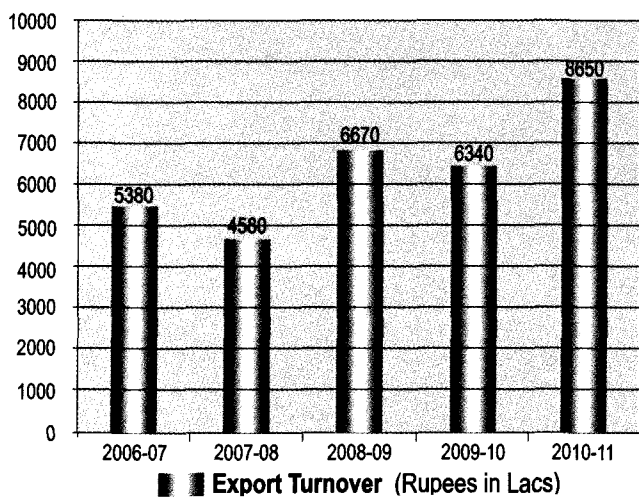
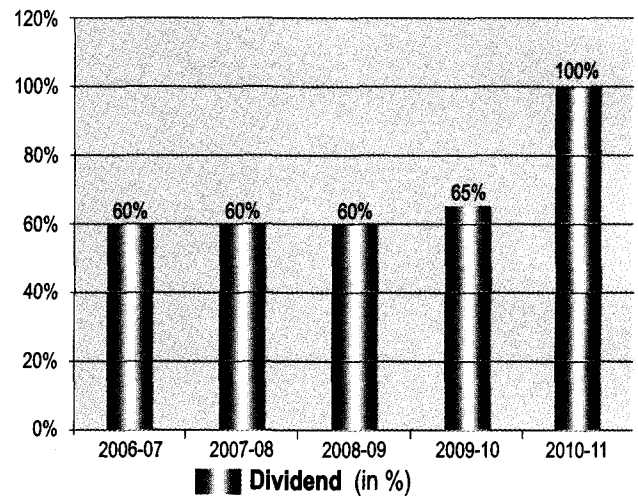
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Growth at a Glance





SAYAJI INDUSTRIES LIMITED

Regd. Office : P.O. Kathwada - Maize Products

Ahmedabad - 382 430