

# 59<sup>th</sup>

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## ANNUAL REPORT

### 1999-2000



## SAYAJI INDUSTRIES LIMITED

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**SAYAJI  
INDUSTRIES  
LIMITED****DIRECTORS**

Shri Bipin V. Mehta  
 Shri Priyam B. Mehta  
 Dr. Biharilal Kanaiyalal  
 Shri Mahendrabhai N. Shah  
 Shri Dashrathbhai G. Patel  
 Shri Vishvajit M. Mehta

**MANAGING DIRECTORS**

Shri Bipin V. Mehta  
 Shri Priyam B. Mehta

**ASST. COMPANY SECRETARY**

Shri Vijay M. Dave  
 B.Com., LL.B., F.C.S.

**AUDITORS**

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

**LEGAL ADVISORS**

M/s. Nanavati & Nanavati, Advocates  
 Ahmedabad

**BANKERS**

Punjab National Bank

**REGISTERED OFFICE**

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

**FACTORIES**

Maize Products  
 Ahmedabad, Gujarat  
 Tapioca Products  
 Chalakudy, Kerala

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**SAYAJI INDUSTRIES LIMITED**

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

**NOTICE**

NOTICE IS HEREBY GIVEN THAT the 59th Annual General Meeting of the Company will be held on Monday, the 11th day of September, 2000 at 4.30 p.m. at the Registered Office of the Company at P.O. Kathwada - Maize Products, Ahmedabad - 382 430, to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Dr. Bihari Lal Kanaiyalal, who retires by rotation from the Board of Directors in terms of Article 108 of the Articles of Association of the Company, but being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri Mahendrabhai N. Shah, who retires by rotation from the Board of Directors in terms of Article 108 of the Articles of Association of the Company, but being eligible, offers himself for reappointment.
5. To appoint auditors and to fix their remuneration and for the purpose to consider and if thought fit, to pass with or without modification, the following resolution as **Ordinary Resolution** :

"RESOLVED THAT Messrs. C.C. Chokshi & Company, Chartered Accountants, be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting, on a remuneration of Rs. 1,05,000/- (Rupees One Lac Five Thousand only) including Service Tax plus actual out of pocket expenses"

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Place : Ahmedabad  
Date : 7th July, 2000

By Order of the Board of Directors  
VIJAY DAVE  
ASSISTANT 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.**
2. The Register of Members and Share Transfer Books of the Company will remain close from 28th August, 2000 to 11th September, 2000 (both days inclusive)
3. The Dividend on shares, if sanctioned by the Annual General Meeting will be payable at specified Branches of Punjab National Bank in India from 20th day of September, 2000, 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 11th September, 2000. Thereafter, the dividend shall be paid by Account Payee Cheque only at the Registered Office of the Company at P.O. Maize Products, Kathwada, Ahmedabad - 382 430.



4. As per the provisions of Section 115-O of the Income Tax Act, 1961, the tax @ 22% (including surcharge on tax) will be paid by the Company on the Dividend amount and no tax shall be deducted from the Dividend amount payable to shareholders.
5. Pursuant to the provisions of Section 205 A of the Companies Act, 1956, all dividends which remain unpaid in respect of the Company's Accounting Year ended 31st March, 1995 was required to be transferred to the General Revenue Account of the Central Government on 6th November, 1998. However, pursuant to the amended provisions of Sub Section (5) of Section 205A read with Section 205C of the Companies (Amendment) Ordinance, 1998 issued by the Hon'ble President of India in **October, 1998** and subsequent Companies (Amendment) Act, 1999 (hereinafter referred to as "the Act") the Dividends which remain unpaid/unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund to be set up in accordance with the provisions of Section 205C of the Companies (Amendment) Act, 1999, as and when the procedure will be prescribed by the Department of Company Affairs. **Accordingly, in due compliance of the amended provisions of the Act, no amount has been transferred to the General Revenue Account of the Central Government. Members can still claim their unpaid dividend in respect of Financial Year ended 31st March, 1995 from the Company.**
6. Members are requested to immediately intimate to the Company any change in their address as registered with the Company, mentioning the Pin Code Number.
7. Members are requested to quote their Folio Numbers in all their correspondence.
8. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to send their queries to the Company Secretary atleast 7 days before the date of the meeting so that the information referred by the members may be made available at the meeting.
9. Members are requested to notify their Bank Account Number 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 at the earliest.

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To

**THE SHAREHOLDERS,**

Your Directors present the 59th Annual Report together with Audited Statements of Accounts of the Company for the financial year ended 31st March 2000.

**FINANCIAL RESULTS :**

Highlights of the financial results are as under :

	1999-2000 (Rs. In Lacs)	1998-99 (Rs. In Lacs)
Sales	13763.60	13427.29
Operating Profit before interest, Depreciation and Taxation	755.43	778.84
Less : Interest	482.26	464.36
Gross Profit	273.17	314.48
Less : Depreciation	154.50	140.05
Taxation	15.00	19.00
Net Profit for the year	103.67	155.43
Less : Short provisions of Tax of earlier years	---	(2.93)
Add : Balance brought forward from previous year	150.08	147.53
Amount available for Appropriation.	253.75	300.03
<b>Appropriations :</b>		
Transfer to General Reserve	100.00	100.00
Proposed Dividend on Equity Shares	36.00	45.00
Tax on Dividend	7.92	4.95
Balance carried forward to Balance Sheet	109.83	150.08
	253.75	300.03

**YEAR IN RETROSPECT :**

During the year under review, on account of the erratic and unpredictable position of our raw materials i.e. Maize & Tapioca, coupled with overall recessionary trend of demand, Starch Industry as a whole experienced a severe pressure on the overall activity as well as on profits. From the second half of the year, your Company started to import Maize from abroad and consequently the supply position of Maize has balanced thereafter. However, during the year, overall Maize price has increased by about 27% and Company's activity has reduced by about 20% as compared to previous year. Both these factors alongwith the sluggishness in demand affected the working of the Company. During the year under review, the export turnover is Rs. 921.32 Lacs as against Rs. 818.71 Lacs in the previous year. Also, the overall technical performance of the Company has continued to show a positive and improving trend.

**DIVIDEND :**

Your Directors recommend dividend at the rate of Rs. 60/- per Equity Share (Previous year Rs. 75/- per Equity Share) for the financial year ended 31st March, 2000, 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 as on 11th day of September, 2000.

**TECHNICAL KNOW HOW & SERVICE AGREEMENT WITH AMYLUM OF BELGIUM :**

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

**MARKETING :**

Despite all odds and recessionary trend, the Company could achieve a higher turnover and maintained the average credit period during the year. This is mainly due to effective as well as extensive marketing efforts of our sole selling agent. The Company has continued with the efforts of enhancing its exports by exploring new avenues in the international markets.



# DIRECTORS' REPORT

## **PUBLIC DEPOSITS :**

Due to the excellent image of the Company, it was able to increase its Fixed Deposits from the Public and Shareholders. The total amount of Fixed Deposits as on 31st March, 2000 was Rs. 722.21 Lacs (Previous year Rs. 686.45 Lacs) The Company has no overdue deposits but unclaimed deposits as at the end of the financial year amounted to Rs. 7.21 Lacs, which has since been renewed/repaid.

## **CAPITAL EXPENDITURE :**

During the year under review the Company has spent Rs. 298.12 Lacs on Fixed Assets, which includes Rs. 246.36 Lacs towards the addition of Plant and Machinery.

## **SAYAJI MILLS NO. 1 :**

As reported in earlier years, the books of accounts and other records of this unit (which was disposed off in 1973) for the years 1972-73 and 1973-74 are yet not fully received by the Company. Under the circumstances, they could not be examined to arrive at a final conclusion which will be done in due course on receipt of requisite records.

## **DONATIONS :**

The Company has made donations of Rs. 5.55 Lacs during the year under review.

## **INSURANCE :**

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

## **DIRECTORS :**

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

## **AUDITORS :**

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

## **PARTICULARS OF EMPLOYEES AND DISCLOSURE OF PARTICULARS :**

Particulars of employees as required in terms of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) (Amendment) Rules, 1994 forms part of this report. However, as per the provisions of Section 217 (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 it by writing to the Company Secretary of the Company.

## **APPRECIATION :**

Yours Directors express their deep sense of appreciation for the valuable and devoted services rendered by both the Managing Directors in the management and conduct of the affairs of the Company by providing able leadership. The Directors also express their appreciation for the devoted services of the Sole Selling Agents and all concerned, directly and indirectly. Your Directors also thank the Bankers and Financial Institutions for their timely help and assistance. Relations with the employees remain cordial.

For and on behalf of the Board of Directors

Place : Ahmedabad

Date : 7th July, 2000.

**Dr. Biharlal Kanaiyal**

Chairman

## ANNEXURE TO DIRECTORS' REPORT.

Information under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2000.

### A. Conservation of Energy :

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

1. The Company has replaced wooden cooling towers with efficient cooling towers made out of FRP.
2. V Belts are being changed by flat belts.
3. Process pipelines and tank arrangements in departments have been modified to save energy during heating, cooling and transferring.

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

1. During the year under review, R.O. System has been operational. This has enabled the Company to reduce the consumption of water and thereby energy and cost of demineralisation of water. This has also helped in reducing the load on the effluent treatment plant.

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

All the above measures have improved quality, productivity and thereby reducing cost per unit of product.

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

### (A) Power and Fuel Consumption

		1999-2000	1998-99
<b>1. Electricity.</b>			
a) Purchased			
Unit	000 kwh	15694	16547
Total amount	Rs. in lacs	677.14	682.21
Rate/Unit	Rs.	4.31	4.12
b) Own Generation			
i) Through Diesel Generator			
Unit	000 kwh	2322	3474
Unit per ltr. of diesel oil	kwh	3.71	3.44
Cost / Unit	Rs.	4.24	3.55
ii) Through steam turbine / generator			
Units	000 kwh	9193	8992
<b>2. Coal</b>			
Quantity	000 tones	40	42
Total cost	Rs. in lacs	861.89	848.48
Average rate	Rs / ton	2147	2035
<b>3. Furnace Oil</b>			
Quantity	K. Ltrs	2482	4646
Total Amount	Rs. in lacs	206.15	300.86
Average rate	Rs / Ltr.	8.31	6.48
<b>4. Diesel Oil</b>			
Quantity	K. Ltrs	625	992
Total amount	Rs. in lacs	79.35	107.26
Average rate	Rs / Ltr.	12.69	10.81
<b>5. Others</b>			
Not Applicable.			

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

		Standards	1999-2000	1998-99
Electricity	Kwh	----	404	366
Furnace Oil	Ltrs	----	37	59
Diesel	Ltrs	----	9	13
Coal	M.T.	----	0.63	0.56
Others		----	NIL	NIL

