

SAYAJI INDUSTRIES LIMITED

70th



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

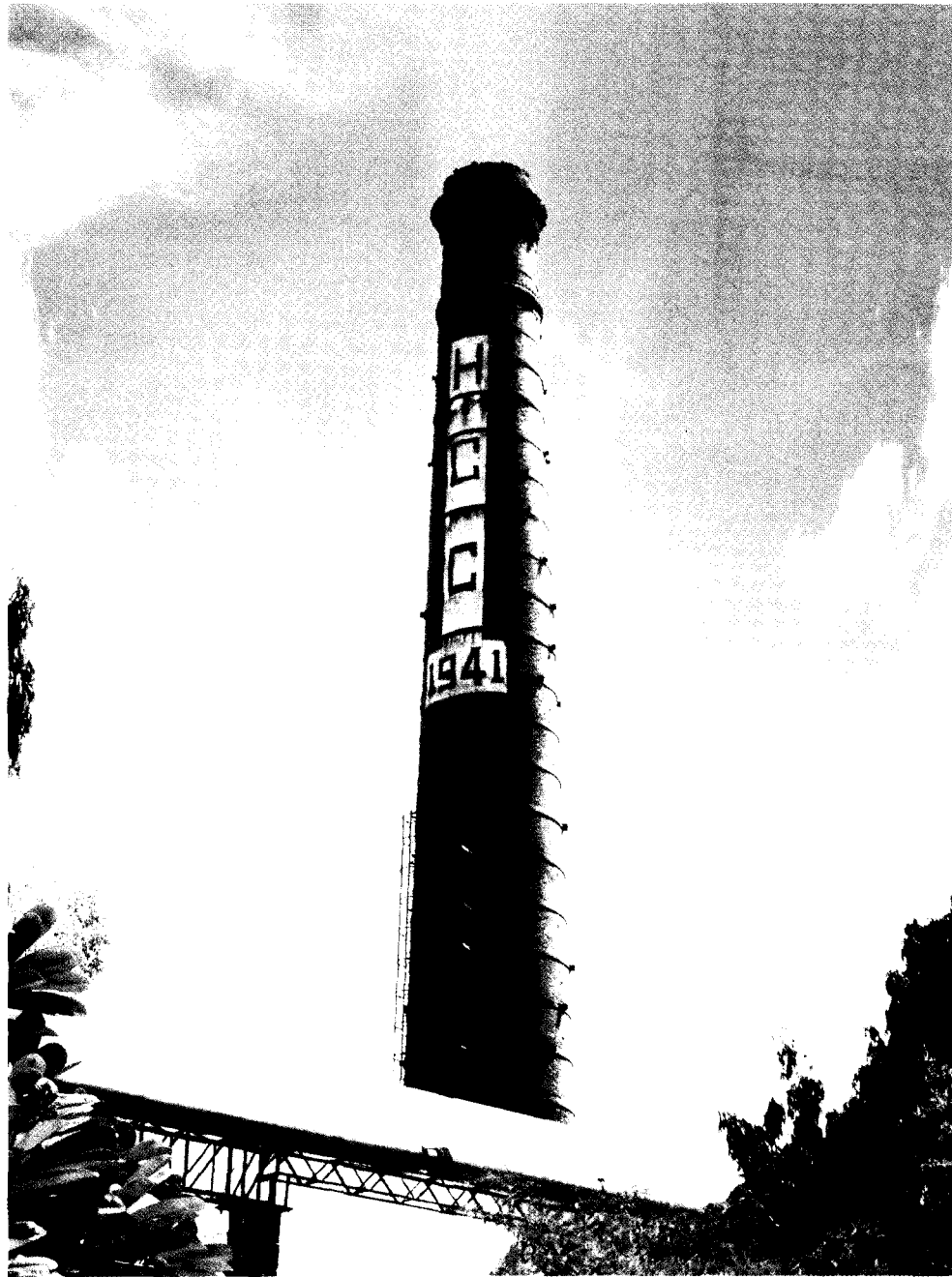
REGISTERED OFFICE

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.

ITEM 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.

ITEM 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	72.15
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	6.63
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.