

**SAYAJI INDUSTRIES LIMITED**

**72<sup>nd</sup>**

**Annual Report  
2012-2013**



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](http://www.kbsindia.in)

# CONTENTS

## PAGE

# SAYAJI INDUSTRIES LIMITED

Notice	2
Directors' Report	8
Corporate Governance Report	13
Certificate	17
Management Discussion and - Analysis Report	18
Auditors' Report	21
Balance Sheet	24
Statement of Profit and Loss	25
Cash Flow Statement	26
Notes Forming Part of Financial Statements	27
Proxy Form - Admit Card	47

### LEGAL ADVISORS

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

### BANKERS

Punjab National Bank

### REGISTERED OFFICE

P.O.Kathwada-Maize Products,  
Ahmedabad – 382 430.  
Tel. +91 79-22901581 to 85  
Fax +91 79-22902424  
E-mail maize@maizeproducts.com

### REGISTRARS AND TRANSFER AGENTS

Karvy Computershare Private Limited  
Plot No. 17-24, Vittalrao Nagar,  
Madhapur, Hyderabad-500081  
Tel. +91 40 23420818  
E-mail einward.ris@karvy.com

### FACTORY

P.O. Kathwada,  
Maize Products  
Ahmedabad-382430,  
Gujarat

### COMPANY INFORMATION CHAIRMAN AND MANAGING DIRECTOR

Mr. Priyam B. Mehta

### EXECUTIVE DIRECTORS

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

### NON EXECUTIVE DIRECTORS

CA Mahendra N. Shah

Mr. Vishvajit M. Mehta

Dr. Gaurang K. Dalal

Dr. Janak D. Desai

CA Chirag M. Shah

### BOARD COMMITTEES

#### AUDIT COMMITTEE

CA Chirag M. Shah – Chairman

Mr. Priyam B. Mehta

Mr. Vishvajit M. Mehta

Dr. Gaurang K. Dalal

#### REMUNERATION COMMITTEE

CA Mahendra N. Shah – Chairman

CA Chirag M. Shah

Dr. Janak D. Desai

#### SHAREHOLDERS GRIEVANCE COMMITTEE

CA Mahendra N. Shah- Chairman

Dr. Gaurang K. Dalal

Mr. Varun P. Mehta

Mr. Vishal P. Mehta

#### COMPANY SECRETARY

Mr. Rajesh H. Shah

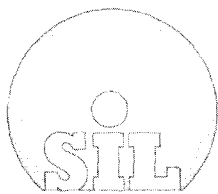
B. Com., LL.B., A.C.S.

#### AUDITORS

M/s. Deloitte Haskins & Sells,

Chartered Accountants,

Ahmedabad.



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

## NOTICE

Notice is hereby given that the 72<sup>nd</sup> annual general meeting of the shareholders of Sayaji Industries Limited will be held at Bhuriba Lallubhai Mehta Primary School, Kathwada – Maize Products, Ahmedabad-382 430 on wednesday, the 14<sup>th</sup> August, 2013 at 10.30 a.m. to transact the following business:

### **ORDINARY BUSINESS**

1. To consider and adopt the balance sheet as at 31<sup>st</sup> March, 2013 and the statement of profit and loss of the company for the year ended on that date and the report of the directors and auditors thereon.
2. To declare dividend on equity shares of the company.
3. To appoint a director in place of Dr. Gaurang K. Dalal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. Janak D. Desai 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** pursuant 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.6,00,000/- (Rupees six 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, 269, 309 and 310 of the companies act, 1956 (hereinafter referred to as the act) read with schedule XIII thereof, as amended from time to time and other applicable provisions, if any, of the act, and subject to the approval of central government, the consent of shareholders be and is hereby accorded to

the terms and conditions as contained in draft agreement of reappointment of Mr. Priyam B. Mehta, as managing director of the company with effect from 12<sup>th</sup> August, 2013 for the period of 5 years ending on 11<sup>th</sup> August, 2018.”

**“RESOLVED FURTHER THAT** the consent of the company be and is hereby also accorded to terms and conditions including the remuneration payable to Mr. Priyam B. Mehta, managing director as contained in the draft agreement of the re-appointment to be entered into with him as approved by remuneration committee and the board of directors at their respective meetings held on 30<sup>th</sup> May, 2013.”

**“RESOLVED FURTHER THAT** the board of directors of the company be and is hereby authorized to execute the agreement with the managing director subject to the approval of the central government and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the board shall have absolute powers to accept any modification in the terms and conditions as may be approved by the central government while according its approval and acceptable to Mr. Priyam B. Mehta the managing director and to modify the same in accordance with the said approval of the central government and to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the company.”

**“RESOLVED FURTHER THAT** Mr. Priyam B. Mehta managing director will also be entitled for the reimbursement of actual entertainment, travelling, boarding and lodging expenses incurred by him in connection with the company's business and such other benefits/amenities and other privileges, as may from time to time, is available to other senior executives of the company.”

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, 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, Mr. Varun P. Mehta, the executive director of the company, be and is hereby paid the salary of upto Rs. 3,00,000/- per

month and other perquisites/ allowances/ other payments as mentioned in the agreement dated 16<sup>th</sup> August, 2010 (hereinafter referred to as "the said agreement") executed with him in connection with his appointment as the executive director for the remaining tenure of his appointment from 16<sup>th</sup> January, 2013 to 15<sup>th</sup> January, 2015 ensuring that the total remuneration to be paid to Mr. Varun P. Mehta shall not exceed the limits prescribed under schedule XIII to the said act."

**"FURTHER RESOLVED THAT** the modification as aforesaid shall form the part of the said agreement entered into by the company with Mr. Varun P. Mehta for his appointment as the executive director of the company from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2015 and all other terms and conditions of the said agreement shall remain valid and unchanged."

**"FURTHER RESOLVED THAT** the board of directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution."

8. To Consider and if though fit, to pass with or without modifications, the following resolution as a **special resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 294, 294AA and other applicable provisions, if any, of the companies act, 1956 or any statutory amendment or substitution thereof, the consent of the company be and is hereby accorded to the re-appointment of M/s L. G. & Doctor Associates Private

Limited as the sole selling agents for the sale of products manufactured by the company for a further period of five years from 1<sup>st</sup> October 2013 to 30<sup>th</sup> September 2018 on the terms and conditions contained in the draft agreement placed before the meeting duly initialed by the chairman for the purpose of identification."

**"FURTHER RESOLVED THAT** such reappointment shall be subject to the approval of central government, if required under the law, and the board of directors be and is hereby authorized to agree to such terms and conditions as may be prescribed by the central government while granting its approval or otherwise considered fit by the board and accordingly execute the agreement with the sole selling agent with or without modifications."

**By order of the Board of Directors**  
**Rajesh H. Shah**  
Company Secretary

Place : Ahmedabad  
Date : May 30, 2013

**Particulars of directors proposed to be reappointed at the 72<sup>nd</sup> Annual General Meeting of the Company**

Name of director	Dr. Gaurang K. Dalal	Dr. Janak D. Desai
Date of birth	18-05-1952	13-04-1958
Age	61 years	55 years
Date of appointment	16-01-2010	29-01-2011
Qualification & experience	He is a general physician and one of the senior most doctors in Ahmedabad.	He is M.S. and M.Ch. and senior urologist with extensive experience in endoscopic surgeries and urological cancer surgeries. He was a council member of Indian urology association and member of various international organisations.
Directorship held in other companies	Denis Chem Laboratories Limited	Samved Hospital Private Ltd. Samved Medicare Private Ltd.
Chairman/Member of the committees of the board of the other companies on which he is a director	Nil	Nil
Disclosure of relationship	Not related to any director	Not related to any director
No. of shares held in the company	10	12



## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of members and share transfer books of the company will remain closed from wednesday, the 7<sup>th</sup> August, 2013 to wednesday, the 14<sup>th</sup> August, 2013 (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 24<sup>th</sup> August, 2013, 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 7<sup>th</sup> August, 2013. Thereafter, the dividend shall be paid by account payee cheques only from 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, 2006 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 2<sup>nd</sup> October, 2013. Shareholders are requested to make their claim to the company for unclaimed/unpaid dividend for the year 2005-2006 before 2<sup>nd</sup> October, 2013.  
  
Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended on 31<sup>st</sup> March, 2007 and onwards, are requested to make their claims to the company immediately.
5. Shareholders are requested to note that equity shares of the company are dematerialized 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., 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, Vittal Rao Nagar, Madhapur, Hyderabad- 500 081.**

7. Shareholders are requested to quote their folio numbers/ beneficiary account numbers in all their correspondence.
8. Shareholders 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 referred by the members may be made available at the meeting.
9. Shareholders 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

Item No. 6 of the notice relates to the re-appointment of Mr. Priyam B. Mehta as the managing director of the company, whose present tenure will expire on 11<sup>th</sup> August, 2013. The new terms of appointment of managing director will be effective for 5 years from 12<sup>th</sup> August, 2013 to 11<sup>th</sup> August, 2018. The proposed remuneration will be effective, subject to the approval of the central government and shareholders in the 72<sup>nd</sup> annual general meeting of the company.

The terms and conditions of re-appointment of Mr. Priyam B. Mehta, as the managing director of the company are as under:-

#### REMUNERATION:

##### Salary

Rs. 5,00,000/- per month.

##### Perquisites

Maximum up to Rs. 2,50,000/- per month which shall include perquisites of categories 'A', 'B' and 'C' as below:

#### CATEGORY 'A'

##### i) House rent allowance

- a) The expenditure by the company on hiring furnished accommodation will be subject to ceiling of 50% of the salary over and above 10% payable by the managing director.

- b) In case the accommodation is owned by the company, 10% of the salary of the managing director shall be deducted by the company.
- c) In case no accommodation is provided by the company, the managing director shall be entitled to house rent allowance not exceeding 50% of the salary.
- d) The expenditure incurred by the company on gas, electricity, water etc. will be valued as per rule no. 3(d) (ii) of the income tax rules, 1962.
- e) The perquisites for furnishings shall be worked out at the rate of ten percent of the actual cost of the furnishings.

**ii) Medical reimbursement:**

Expenses incurred for self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years. He shall also be entitled to the benefit of medical treatment referred to in proviso to section 17(2) of the income tax act, 1961 or to such modifications as may be made therein from time to time.

**iii) Leave travel concession:**

For self and family once in a year incurred in accordance with any rules specified by the company.

**iv) Club fees:**

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

**v) Personal accident insurance:**

Premium not to exceed Rs. 40,000/- per annum.

**vi) Mediclaim insurance:**

Premium not to exceed Rs. 20,000/- per annum or such amount as may be prescribed in section 80D of the income tax act, 1961.

**CATEGORY 'B'**

**i) Contribution to provident fund & other funds:**

Contribution to the provident fund, superannuation or annuity fund shall not be included in computation of the ceiling on perquisites and shall be payable to the extent these either singly or put together are not taxable under the income-tax act.

**ii) Gratuity:**

As per the rules not exceeding half a month's salary for each completed year of service, and shall not be included in the computation of ceiling on perquisites as specified above.

**iii) Leave encashment:**

The managing director shall be entitled to fully paid leave as per the company's rules. Encashment of leave at the end of the tenure is permitted and shall not be included in the computation of the ceiling on perquisites as specified above.

**CATEGORY 'C'**

**Provision of a car and telephone:**

The company shall provide a car for use on company's business and also for personal purposes and telephone at the residence of the managing director. The managing director shall be billed by the company for personal long distance calls on telephone and perks for the use of car for personal purposes shall be evaluated as per income tax rules.

**Commission :**

Within the overall ceiling on remuneration of 5% or 10% of the net profits of the company computed in the manner laid down under section 309(5) of the companies act, 1956 in each year.

**Other Benefits:**

Such other benefits, amenities and facilities as per the company rules.

The terms and conditions of the remuneration of the managing director, may be varied, altered, increased, enhanced or widened from time to time by the remuneration committee and the board as it may in its discretion deem fit within above limits and subject to limits laid down in sections 198, 309 and all other applicable provisions of the companies act, 1956 and rules framed there under and subject to the requisite approvals from central government or any other authority, if any, being obtained.

The resolution placed before the shareholders authorizes the board to execute the draft agreement with such modification or variations as it may think fit.

Where in any financial year the company has no profit or its profit is inadequate, remuneration payable to Mr. Priyam B. Mehta by way of salary or perquisites will be such salary and perquisites as approved by the central government which may be paid to him as the minimum remuneration. The draft agreement proposed to be entered into with Mr. Priyam B. Mehta, the chairman and managing director of the company is open for the inspection of the members between 11.00 a.m. to 1.00 p.m. on all working days at the registered office of the company.

**The relevant information as required by Notification No. GSR 36(E), Dated 16<sup>th</sup> January 2002 issued by the central government is given below:**

Sayaji Industries Limited is engaged in the manufacture and sale of starches, its by-products and its derivatives like liquid glucose, dextrose monohydrate, dextrose anhydrous, sorbitol etc. The company has been established more than seven decades back and has shown consistent growth from year to year.

**General Information :**

During the year under review, the company has achieved a



higher revenue from operation (gross) of Rs.50763.05 lacs as compared to Rs.39168.05 lacs in previous year. Though, there has been a steep increase in all input costs during the year under review, with better price realization of finished products, better product mix, improved technical parameters and application of stringent cost cutting measures, the company has been able to increase its margins at all levels. The operating profits of the company stands at Rs.2041.78 lacs as against Rs.1667.13 lacs in the previous year. The gross profit of the company was Rs.1254.18 lacs as against Rs.996.03 lacs in the previous year. During the year under review, the profit before tax of the company increased by 35% from Rs. 479.03 lacs to Rs.648.97 lacs and the net profit after tax increased by almost 130% from Rs.306.77 lacs to Rs.710.35 lacs as the company has written back the MAT credit of current year as well previous years. There has also been an increase in the export turnover of the company to Rs.11325.27 lacs as compared to Rs.10551.06 lacs in the previous year. The company is hopeful that the increased trend in turnover and exports would continue during the current year.

The company has been very consistent in payment of dividend to its shareholders. During the year under review, the directors have recommended a dividend of Rs. 115/- per equity share of the face value of Rs.100/-.

#### **Information about Mr. Priyam B. Mehta :**

Under the guidance and able management Mr. Priyam B. Mehta, the company has achieved commendable progress and it would therefore, be in the interest of the company to reappoint Mr. Priyam B. Mehta as the chairman and managing director of the company on the terms and conditions as mentioned above. During the year 2012-13, Mr. Priyam B. Mehta was paid a salary of Rs.21,12,000/- and other perquisites of Rs.12,19,000/-.

#### **Other information :**

The main raw material for the company is maize which is agri commodity and the price of the same varies depending on the availability and demand for the same which again is dependent on the rainfall in the country. There has been a substantial increase in the price of maize and other inputs in the recent past. The company has not been in a position to pass on the entire price increase of its inputs to its customers which has affected the margins of the company. However, with improved technical parameters, better product mix and stringent cost cutting measures the company has been able to improve its profitability in past few years. It is expected that the rain would be approx. 100% in the current year which will stabilize the price of maize and other inputs required by the company. The company would continue its efforts to further improve its technical parameters and also continue to apply stringent cost cutting measures which in turn may improve its profitability in the years to come.

Mr. Priyam B. Mehta, chairman and managing director is interested in the resolution as it concerns his appointment.

Mr. Varun P. Mehta and Mr. Vishal P. Mehta to whom Mr. Priyam B. Mehta is related may also be regarded as interested or concerned in the appointment of Mr. Priyam B. Mehta.

The above may also be treated as an abstract of the terms of contract pursuant to section 302 of the companies act, 1956.

#### **ITEM NO. 7**

The company had pursuant to the special resolution passed by the shareholders in the annual general meeting held on 22<sup>nd</sup> August, 2010 executed agreement dated 16<sup>th</sup> October, 2010 (hereinafter referred to as "the said agreement") with Mr. Varun P. Mehta for his appointment as the executive director of the company for the period of five years with effect from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2015. Pursuant to the said special resolution and in view of the notification No. GSR 36(E) dated 16<sup>th</sup> January, 2002 the remuneration to Mr. Varun P. Mehta as the executive director of the company was approved for the period of three years with effect from 16<sup>th</sup> January, 2010 to 15<sup>th</sup> January, 2013 and the same has been mentioned in the said agreement. The salary paid to Mr. Varun P. Mehta has been increased from upto Rs. 2,50,000/- per month to upto Rs.3,00,000/- per month with effect from 26<sup>th</sup> July, 2011 and the same has been approved by the members of the company at the 70<sup>th</sup> annual general meeting held on 26<sup>th</sup> July, 2011.

It is now proposed to pay the same remuneration to Mr. Varun P. Mehta, the executive director for the remaining tenure of his appointment with effect from 16<sup>th</sup> January, 2013 to 15<sup>th</sup> January, 2015.

All other terms and conditions of the said agreement shall remain valid and unchanged.

These particulars also constitute the abstract of the terms of modification in said agreement entered into with Mr. Varun P. Mehta and required to be sent to every member of the company pursuant to Section 302 of the companies act, 1956.

Mr. Varun P. Mehta, the executive director is interested in the resolution as it concerns his remuneration. Mr. Priyam B. Mehta and Mr. Vishal P. Mehta to whom Mr. Varun P. Mehta is related may also be regarded as interested or concerned in the resolution.

#### **ITEM NO. 8**

This resolution relates to the reappointment of M/s L. G. & Doctor Associates Private Limited as the sole selling agents of the company for a period of 5 years with effect from 1<sup>st</sup> October, 2013 for the sale of products manufactured by the company, as their existing term of appointment as approved by the central government expires on 30<sup>th</sup> September, 2013.

The previous appointment of the sole selling agents was made pursuant to the consent of the shareholders by a



special resolution passed at the 67<sup>th</sup> annual general meeting of the shareholders of the company held on 22<sup>nd</sup> September, 2008 and approval of the central government was obtained vide its Letter dated 5<sup>th</sup> July, 2010.

The shareholders of the company are aware that there has been a substantial growth in the turnover of the company as a result of the persistent and untiring efforts on the part of the sole selling agents of the company; M/s L.G. & Doctor Associates Private Limited and the company has been able to strengthen its position as one of the market leaders despite of stiff competition and overall recessionary conditions in the Industry. The company has been in a position to maintain debtors at lower lever despite of increase in turnover due to consistent follow up by its sole selling agents.

Keeping in view the aforesaid facts and interest of the company, your directors have considered it appropriate to continue to avail valuable services rendered by the sole selling agents for a further period of five years and pay them a commission as mentioned in the draft agreement proposed to be entered into with the sole selling agents.

Other terms of the draft agreement proposed to be entered into with the sole selling agents are the same as approved earlier by the central government and the said draft agreement is open of the inspection of the members between 11.00 a.m. and 1.00 p.m. on all working days at the registered office of the company. The appointment of M/s L.G. & Doctor Associates Private Limited as the sole selling agents for a further period of five years w.e.f. 1<sup>th</sup> October, 2013 to 30<sup>th</sup> September, 2018 will be subject to approval of central government, if required.

The board of directors recommend the resolution for your approval.

None of the directors is concerned or interested in the resolution.

**By order of the Board of Directors**  
**Rajesh H. Shah**  
Company Secretary

Place : Ahmedabad  
Date : May 30, 2013



# DIRECTORS' REPORT

## TO THE SHAREHOLDERS,

Your directors have pleasure in presenting the 72<sup>nd</sup> annual report together with audited financial statements of the company for the financial year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS:

	2012-13 (Rs. in lacs)	2011-12 (Rs. in lacs)
Revenue from operations (Gross)	50763.05	39168.05
Operating profit before interest, depreciation and taxation	2041.78	1667.13
Less : Interest	787.60	671.10
Gross profit	1254.18	996.03
Less : Depreciation	605.21	517.00
Profit before tax	648.97	479.03
Less : Current taxation	130.00	77.01
Provision for deferred tax	140.62	95.25
MAT credit for current year	(56.40)	---
MAT credit for earlier years	(275.60) (61.38)	--- 172.26
Net profit for the year	710.35	306.77
Add : Balance brought forward from previous year	295.53	180.58
Amount available for appropriation	1005.88	487.35
Appropriations :		
Transfer to general reserve	200.00	100.00
Proposed dividend on equity shares	90.85	79.00
Tax on dividend	15.44 106.29	12.82 91.82
Balance carried forward to balance sheet	699.59	295.53
	1005.88	487.35

### YEAR IN RETROSPECT :

Your directors are pleased to report that during the year under review, the revenue from operations (gross) of your company has increased by 30% from Rs.39168.05 lacs to Rs.50763.05 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, improved technical parameters, reduction in power cost and application of stringent cost cutting measures, your company has been able to increase its profitability. The operating profit of the company is Rs.2041.78 lacs as against Rs.1667.13 lacs in the previous year. The gross profit of the company stands at Rs.1254.18 lacs as against Rs. 996.03 lacs in the previous year. During the year under review, the profit before tax of the company increased by 35% from Rs. 479.03 lacs to Rs. 648.97 lacs and the net profit after tax increased by almost 130% from Rs. 306.77 lacs to Rs.710.35 lacs as the

company has written back the MAT credit of current year as well as previous years.

Your company has also entered into an exclusive agreement with Yashwant Sahakari Glucose Karkhana Limited, located at Siddheshwar Nagar, Taluka Shirala, Dist. Sangli, Maharashtra since July 2012 whereby the starches, liquid glucose and other by-products manufactured by the said factory is purchased/dealt in by your company. This arrangement has resulted into substantial increase in the top line of the company and the company has been able to cater to the markets in western and southern India more effectively.

### FUTURE OUTLOOK :

The prices of all inputs including maize, lignite, 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 further improve its profitability by better price realization of its products, change in the product mix, further improvement in technical efficiency and continued application of stringent cost cutting measures at all levels. With a better monsoon expected this year, the company is hopeful that there would be some stabilization in the price of maize during the current year which in turn may improve the operating margins.

Your directors are also hopeful that with stabilization of all technical parameters at the Yashwant Sahakari Glucose Karkhana Limited and stabilization in the prize of maize, the company would be able to further improve its top-line and operations in the years to come.

The company has continued its efforts to further increase its activity by introduction of new equipments and to concentrate on de-bottlenecking and automisation in the existing production processes. Efforts also continue to further improve the quality of the products and efficiency of the plants.

### DIVIDEND :

With satisfactory performance of the company during the year under review, your directors recommend dividend at the rate of Rs.115/- per equity share (previous year Rs.100/- per equity share) for the financial year ended 31<sup>st</sup> March, 2013, which if approved by the shareholders at the forthcoming annual general meeting will be paid to those members whose names appear on the register of members of the company on 7<sup>th</sup> August, 2013.

The total outflow on account of dividend will be Rs.106.29 lacs including dividend tax of Rs.15.44 lacs.