



**73<sup>rd</sup>**

**Annual Report  
2013-2014**



**SAYAJI INDUSTRIES LIMITED**

Certificate No. QMS-K11112

KBS Certification Services Pvt. Ltd.

414-424, Om Shubham Tower, Neelam Bata Road,  
N.I.T. Faridabad – 121 001, Haryana, India  
E-mail : office@kbsindia.in Website : www.kbsindia.in

# 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*

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

Initial Certification : 28 Apr, 2011

Ist Renewal : 28 Apr, 2014

\*Audit Due by : 21 Apr, 2015

Expiry : 27 Apr, 2017



**Kaushal Goyal**  
Managing Director

\*New certificate will be issued after successful completion of the audit

For current validity of the certificate, visit : [www.kbsindia.in](http://www.kbsindia.in)

# SAYAJI INDUSTRIES LIMITED

**CIN**  
L99999GJ1941PLC000471

## COMPANY INFORMATION

**CHAIRMAN AND MANAGING DIRECTOR**  
Mr. Priyam B. Mehta

**EXECUTIVE DIRECTORS**  
Mr. Varun P. Mehta  
Mr. Vishal P. Mehta

**NON EXECUTIVE DIRECTOR**  
Mrs. Sujata P. Mehta

**NON EXECUTIVE INDEPENDENT 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

**NOMINATION AND REMUNERATION COMMITTEE**  
CA Mahendra N. Shah - Chairman  
CA Chirag M. Shah  
Dr. Janak D. Desai

**STAKEHOLDERS RELATIONSHIP COMMITTEE**  
CA Mahendra N. Shah- Chairman  
Dr. Gaurang K. Dalal  
Mr. Varun P. Mehta  
Mr. Vishal P. Mehta

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**  
Mr. Varun P. Mehta - Chairman  
Dr. Gaurang K. Dalal  
Dr. Janak D. Desai

**COMPANY SECRETARY**  
Mr. 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.  
Tel. : +91 79-22901581 to 85  
Fax : +91 79-22902424  
E-mail : maize@maizeproducts.com  
Web site : www.maizeproducts.com

**REGISTRAR 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.

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**73<sup>rd</sup> Annual General Meeting on Saturday, 26<sup>th</sup> July, 2014 at 9.00 a.m. at Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad-382430.**



## NOTICE

Notice is hereby given that the seventy third annual general meeting of sayaji industries limited will be held at Bhuriba Lallubhai Mehta Primary School, P.O.Kathwada - Maize Products, Ahmedabad - 382430 on Saturday, 26<sup>th</sup> July, 2014 at 9.00 a.m. to transact the following business :

### ORDINARY BUSINESS :

1. To consider and adopt the balance sheet as at 31<sup>st</sup> March, 2014 and the statement of profit and loss of the company for the year ended on that date and the report of directors and auditors thereon.
2. To declare dividend on equity shares of the company for the year ended 31<sup>st</sup> March, 2014.
3. To appoint a director in place of Mr. Varun P. Mehta (holding DIN 00900734), who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

“RESOLVED THAT pursuant to provisions of section 139 and other applicable provisions of the companies act, 2013 and rules framed thereunder, as amended from time to time, M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (FRN 117365W) be and are hereby appointed as the auditors of the company to hold the office from the conclusion of this annual general meeting till the conclusion of 76<sup>th</sup> annual general meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every annual general meeting) at a remuneration of ₹ 6,00,000/- (Rupees six lacs only) plus applicable service tax and out of pocket expenses with the authority to the board of directors to revise such remuneration as mutually agreed to between the board of directors and the auditors.”

### SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :  
“RESOLVED THAT subject to such guideline(s)/ order(s) as may be issued by the Central Government from time to time, the reappointment of M/s Dalwadi and Associates, Cost Accountants, 403,

Ashirwad Complex, Next to `Aditya' building, B/h Sardar Patel Seva Samaj, Nr. Mithakhali Six Roads, Ahmedabad- 380 006 as cost auditor to audit cost records maintained by the company in respect of products manufactured by the company and covered by cost audit order(s) as may be issued by the Central Government from time to time, on a remuneration of ₹ 1,00,000/- (Rupees one lac only) plus service tax and out of pocket expenses as applicable be and is hereby ratified.”

6. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

“RESOLVED THAT Mrs. Sujata P. Mehta (holding DIN 00037746), who was appointed as an additional director of the company by the board of directors w.e.f. 14<sup>th</sup> November, 2013 in terms of section 260 of the companies act, 1956 (corresponding to section 161(1) of the companies act, 2013) and article 107 of the articles of association of the company and whose term of office expires at the ensuing annual general meeting and in respect of whom the company has received notice in writing from a member proposing her candidature for the office of director, be and is hereby appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation.”

7. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

“RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule IV to the companies act, 2013 CA Chirag M. Shah (holding DIN 00021298), director of the company who retires by rotation at the annual general meeting and in respect of whom the company has received notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the company to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019.”

8. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule IV to the companies act, 2013 CA Mahendra N. Shah (holding DIN 00021194), director of the company who retires by rotation at the annual general meeting and in respect of whom the company has received notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the company to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019."

9. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule IV to the companies act, 2013 Mr. Vishvajit M. Mehta (holding DIN 00032207), director of the company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the company to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019."

10. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule IV to the companies act, 2013 Dr. Gaurang K. Dalal (holding DIN 00040924), director of the company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the company to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019."

11. To consider, and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to provisions of sections 149, 150, 152 and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule IV to the companies act, 2013 Dr. Janak D. Desai (holding DIN 02565216), director of the company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the company has received notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the company to hold office for five consecutive years for a term upto 31<sup>st</sup> March, 2019."

12. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ordinary resolution** :

"RESOLVED THAT pursuant to the provisions of sections 73, 76 and other applicable provisions of the companies act, 2013 and companies (acceptance of deposits) rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to invite and accept deposits from general public and shareholders of the company."

"FURTHER RESOLVED THAT board of directors of the company be and is hereby authorised to prepare a circular or a circular in the form of advertisement in the form prescribed under the companies (acceptance of deposits) rules, 2014 for inviting and accepting the deposits from general public and shareholders of the company and file the same with the office of the registrar of companies for registration thereof duly signed by the majority of the directors of the company and one month thereafter issue the circular or circular in the form of an advertisement in english language in english newspaper and in vernacular language in one vernacular newspaper having wide circulation in Gujarat state and a copy of the same be uploaded on the web-site of the company."

"FURTHER RESOLVED THAT the board of directors of the company be and are hereby authorised to determine whether to invite and accept secured or unsecured deposits and the board be and is hereby further authorised to create necessary security in favour of deposit holders in case it decides to accept secured deposits and execute necessary documents and comply with necessary formalities in this regards."

"FURTHER RESOLVED THAT the board of directors of the company be and is hereby further authorised



to take all the steps to comply with the requirements of the provisions of section 73, 76 and other applicable provisions of the companies act, 2013 and companies (acceptance of deposits) rules, 2014 before inviting and accepting deposits from general public and shareholders of the company and do all the necessary acts and things to ensure that all the compliances are done as required by the said act and rules.”

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **special resolution** :

“RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule V to the said act as amended from time to time, consent of the members of the company be and is hereby accorded to payment of salary upto ₹ 5,00,000/- per month and other perquisites/ allowances/ other payments as mentioned in the draft supplemental agreement to be executed with Mr. Varun P. Mehta in connection with revision of remuneration to be paid to him as the executive director from 1<sup>st</sup> June, 2014 to 15<sup>th</sup> January, 2015.”

“FURTHER RESOLVED THAT all other terms and conditions of his appointment shall remain valid and unchanged except that his office shall be liable to determination by retirement of directors by rotation and if he is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the executive director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the executive director and the board of directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in schedule V to the companies act, 2013.”

“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.”

14. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

“RESOLVED THAT pursuant to the provisions of section 197 and other applicable provisions, if any, of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for time being in force) read with schedule V to the said act as amended from

time to time the consent of the members of the company be and is hereby accorded to payment of salary upto ₹ 5,00,000/- per month and other perquisites/allowances/other payments as mentioned in the draft supplemental agreement to be executed with Mr. Vishal P. Mehta in connection with revision of remuneration to be paid to him as the executive director for the remaining tenure of his appointment from 26<sup>th</sup> July, 2014 to 25<sup>th</sup> July, 2016.”

“FURTHER RESOLVED THAT all other terms and conditions of his appointment shall remain valid and unchanged except that his office shall be liable to determination by retirement of directors by rotation and if he is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the executive director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the executive director and the board of directors be and is hereby authorised to alter and vary such terms of appointment and remuneration so as not to exceed the limits specified in schedule V to the companies act, 2013.”

“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.”

15. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **special resolution**:

“RESOLVED THAT in suppression of an ordinary resolution adopted at the 70<sup>th</sup> annual general meeting of the company held on 26<sup>th</sup> July, 2011 and pursuant to the provision of the section 180(1)(c) and any other applicable provisions of the companies act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the company be and is hereby accorded to the board of directors to borrow moneys in excess of the aggregate of the paid-up share capital and free reserve of the company, provided that the total amount borrowed and outstanding at any time of point, apart from temporary loans obtained /to be obtained from the company’s bankers in the ordinary course of the business, shall not be in excess of ₹ 150 crores (Rupees one hundred and fifty crores) over and above aggregate of the paid up share capital and free reserves of the company.”

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

Place : Ahmedabad  
Date : May 30, 2014

**DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 73<sup>RD</sup> ANNUAL GENERAL MEETING OF THE COMPANY.**

In terms of section 149,152 and other applicable provisions of the companies act, 2013 effective from 1<sup>st</sup> April, 2014, for the purpose of determining the directors liable to retire by rotation, the independent directors shall not be included in the total number of directors of the company. Mr. Varun P. Mehta shall accordingly retire at the forthcoming annual general meeting and being eligible offers himself for reappointment.

Mr. Varun P. Mehta was appointed as the executive director on the board of directors of the company for the period of five years with effect from 16<sup>th</sup> January, 2010. The said appointment was approved by the members of the company at their 69<sup>th</sup> annual general meeting held on 13<sup>th</sup> August, 2010 by way of special resolution. Mr. Varun P. Mehta holds a bachelor's degree in science (business administration) from Fordham University, USA. Mr. Varun P. Mehta has been actively involved in the day-to-day management of the company since his appointment as the executive director of the company and looks after important functions of the company like H. R., finance and plant operations. He has been instrumental in his efforts for debottlenecking and automation of manufacturing processes.

Mr. Varun P. Mehta is the chairman of corporate responsibility committee and a member of stakeholders relationship committee. Mr. Varun P. Mehta is also the executive director in N B Commercial Enterprises Pvt. Ltd. and a director in Sayaji Sethness Ltd., C V Mehta

Pvt. Ltd., Priyam Commercial Enterprises Pvt. Ltd., Bini Commercial Enterprises Ltd. and Viva Texchem Pvt. Ltd.

Upon his reappointment as a director, Mr. Varun P. Mehta shall continue to hold the office as the executive director of the company and such reappointment as director shall not be deemed to constitute break in his appointment as the executive director of the company.

Mr. Varun P. Mehta is interested in the resolution as it concerns his appointment. Mr. Priyam B. Mehta, Mrs. Sujata P. Mehta and Mr. Vishal P. Mehta being related to Mr. Varun P. Mehta may also be regarded as concerned or interested in the appointment of Mr. Varun P. Mehta. No other directors, key managerial personnel of the company and their relatives are concerned or interested, financial or otherwise, in the revision of remuneration of Mr. Varun P. Mehta.

**Appointment of other directors (Nos. 6 to 11)**

For the details of Mrs. Sujata P. Mehta, CA Chirag M. Shah, CA Mahendra N. Shah, Dr. Janak D. Desai, Dr. Gaurang K. Dalal and Mr. Vishvajit M. Mehta please refer to the explanatory statement in respect of the special business set out at item nos. 6 to 11 of the notice of annual general meeting pursuant to section 102 of the companies act, 2013.

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

Place : Ahmedabad  
Date : May 30, 2014



## 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. PROXIES SUBMITTED ON BEHALF OF COMPANY MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION AND AUTHORITY.**
2. The explanatory statement pursuant to section 102 of the companies act, 2013 which sets out details relating to special business at the meeting is annexed hereto.
3. The register of members and share transfer books of the company will remain closed from Friday, the 18<sup>th</sup> July, 2014 to Saturday, the 26<sup>th</sup> July, 2014 (both days inclusive).
4. The dividend on shares, if sanctioned by the annual general meeting, will be payable at specified branches of Axis Bank Limited, in India from 7<sup>th</sup> August, 2014, 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 17<sup>th</sup> July, 2014. 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.
5. Pursuant to section 124 (5) of the companies act, 2013, all unclaimed/unpaid dividends in respect of the company's accounting year ended March 31, 2007 will be transferred to the investor education and protection fund (IEPF) set up by the government of India pursuant to section 124 (5) of the companies act, 2013, within 30 days from 30<sup>th</sup> September, 2014. Members are requested to make their claim to the company for unclaimed/unpaid dividend for the year 2006-2007 before 30<sup>th</sup> September, 2014.

The ministry of corporate affairs (MCA) on 10<sup>th</sup> May, 2012 notified the IEPF (uploading of information regarding unpaid and unclaimed amount lying with companies) rules, 2012 (IEPF rules), which is applicable to the company. The objective of the IEPF rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post

etc. In terms of the said IEPF rules, the company has uploaded the information in respect of the unclaimed dividend in respect of the financial year from 2006, as on the date of the 72<sup>nd</sup> Annual General Meeting held on 14<sup>th</sup> August, 2013, on the web-site of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in).

Members who have not yet encashed their dividend warrant(s) for the financial year ended on 31<sup>st</sup> March, 2008 and onwards, are requested to make their claims to the company immediately at the registered office.

6. Members 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) Ltd. (CDSL) may submit their shares for dematerialization to their respective DPs.
7. The company has appointed M/s Karvy Computershare Private Limited as the registrar 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.**
8. Members are requested to quote their folio numbers/ beneficiary account numbers in all their correspondence.
9. 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 referred by the members may be made available at the meeting.
10. Electronic copy of the annual report for the year 2013-14 is being sent to all the members whose e-mail IDs are registered with the company/ depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the annual report for the year 2013-14 is being sent by post/courier.



11. 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 dividend. Change, if any, in the bank account number should also be informed to the company/M/s Karvy Computershare Private Limited at the earliest.
12. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the company during normal business hours (9.30 a.m. to 5.00 p.m.) on all working days, up to and including the date of the annual general meeting of the company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF SPECIAL BUSINESS.**

**Item no. 4**

*This explanatory statement is provided though strictly not required as per section 102 of the act.*

M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (FRN 117365W) were appointed as the statutory auditors of the company for financial year 2010-11 at the annual general meeting of the company held on 13<sup>th</sup> August, 2010 and have completed term of four years. Prior to this M/s C. C. Chokshi & Co. Chartered Accountants were the statutory auditors of the company for many years. M/s C. C. Chokshi & Co. and M/s Deloitte Haskins & Sells are part of the same network of firms of chartered accountants registered with the Institute of Chartered Accountants of India under the rules of network. As per provisions of section 139 of the companies act, 2013 no listed company can appoint or re-appoint an audit firm for more than two terms of five consecutive years. Section 139 of the companies act, 2013 has also provided a period of three years from the date of commencement of the act to comply with this requirement.

In view of above, M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, being eligible for re-appointment and based on recommendation of the audit committee, the board of directors has, at its meeting held on May 30, 2014 proposed the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad as the statutory auditors of the company for a period of three years to hold office from the conclusion of this annual general meeting till the conclusion of seventy sixth annual general meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every annual general meeting)

The board recommends the resolution at item no. 4 for the approval by the members.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 4.

**Item no. 5**

A proposal for reappointment of cost auditor for the year 2014-15 was recommended by the audit committee to the board of directors of the company. It was proposed to re-appoint M/s Dalwadi and Associates, Cost Accountants, 403, Ashirwad Complex, Next to 'Aditya' building, B/h Sardar Patel Seva Samaj, Nr. Mithakhali Six Roads, Ahmedabad-380 006 as cost auditor to audit cost records maintained by the company in respect of products manufactured by the company and covered by cost audit orders as may be issued by the Central Government from time to time.

Certificate dated May 19, 2014 issued by the above firm regarding their eligibility for appointment as cost auditors will be available for inspection at the registered office of the company during 9.30 a.m. to 5.00 p.m. and shall also be available at the annual general meeting of the company.

As per rule 14 of companies (audit and auditors) rules 2014, the appointment and remuneration payable to the cost auditors is required to be ratified by the shareholders. Hence this resolution is put for the consideration of the shareholders.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 5.

**Item no. 6**

Mrs. Sujata P. Mehta was appointed as an additional director on the board of directors of the company with effect from 14<sup>th</sup> November, 2013. Pursuant to the provisions of section 161 (1) of the companies act, 2013 the term of office of Mrs. Sujata P. Mehta expires at the ensuing 73<sup>rd</sup> annual general meeting of the company.

Mrs. Sujata P. Mehta aged 51 years is a B.A. from Mumbai University. She is looking after the ceramic division of the company and is also managing the affairs of a IATA approved travel agency since last two decades.

Mrs. Sujata P. Mehta is a director in Bini Commercial Enterprises Private Ltd., C.V. Mehta Private Ltd., Viva Texchem Private Ltd., N B Commercial Enterprises Pvt. Ltd. and Varun Travels Private Ltd. Mrs. Sujata P. Mehta is holding 14221 equity shares in the company.



Pursuant to the requirements of the provisions of section 149 of the companies act, 2013, the company is required to appoint a woman director on its board of directors and it was to comply with this requirement, she was appointed as an additional director on the board of directors of the company and her office expires at the ensuing annual general meeting of the company. A notice has been received from a member proposing Mrs. Sujata P. Mehta as a candidate for the office of director of the company.

The board considers that her appointment as a director whose period of office shall be liable to determination by retirement of directors by rotation would be of immense benefit to the company. Accordingly, the board recommends the resolution in relation to appointment of Mrs. Sujata P. Mehta as a director, for the approval of the members of the company.

Mrs. Sujata P. Mehta, being an appointee is concerned and interested in the resolution. Mr. Priyam B. Mehta, Mr. Varun P. Mehta and Mr. Vishal P. Mehta being related to Mrs. Sujata P. Mehta are also concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 6. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item no.7**

CA Chirag M. Shah is a non-executive independent director of the company. He joined the board of directors of the company in July, 2011. CA Chirag M. Shah is a chairman of the audit committee and a member of the nomination and remuneration committee of the company.

CA Chirag M. Shah aged about 46 years is a chartered accountant by profession. He is one of the leading chartered accountants of Ahmedabad and has vast experience in the field of audit, direct and indirect taxes and financial consultancy. He is also a partner in M/s Mahendra N. Shah & Co., Chartered Accountants, one of the leading chartered accountants firm in Ahmedabad.

CA Chirag M. Shah is a director in M N Shah Capital Services Private Ltd. He is holding 11 equity shares in the company.

CA Chirag M. Shah retires by rotation at the ensuing annual general meeting of the company under the erstwhile applicable provisions of companies act, 1956. In terms of section 149 and any other applicable provisions of the companies act, 2013, CA Chirag M.

Shah being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years for a term up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing CA Chirag M. Shah as a candidate for the office of director of the company.

In the opinion of the board, CA Chirag M. Shah fulfils the conditions specified in the companies act, 2013 and rules made there under for his appointment as an independent director of the company and is independent of the management. Copy of the draft letter of appointment of CA Chirag M. Shah as an independent director setting out the terms and conditions would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of CA Chirag M. Shah as an independent director. Accordingly, the board recommends the resolution in relation to appointment of CA Chirag M. Shah as an independent director, for the approval of the members of the company.

CA Chirag M. Shah, being an appointee is concerned and interested in the resolution. CA Mahendra N. Shah being related to CA Chirag M. Shah is also concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 7. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item No. 8**

CA Mahendra N. Shah is a non-executive independent director of the company. He joined the board of directors of the company in August, 1983. CA Mahendra N. Shah is a chairman of the stakeholders relationship committee and nomination and remuneration committee of the company.

CA Mahendra N. Shah aged about 80 years is a chartered accountant by profession. He is one of the leading chartered accountants of Ahmedabad and has vast experience in the field of audit, taxation and finance related consultancy. He is also a partner in M/s Mahendra N. Shah & Co., Chartered Accountants, one of the leading chartered accountants firm in Ahmedabad. He was also a lecturer in accountancy and auditing in N C Bodiwala Commerce College.

CA Mahendra N. Shah is a director in M N Shah Capital Services Private Ltd. and Bhagwati Autocast Limited. He is holding 10 equity shares in the company.

CA Mahendra N. Shah retires by rotation at the ensuing annual general meeting of the company under the erstwhile applicable provisions of companies act, 1956. In terms of section 149 and any other applicable provisions of the companies act, 2013, CA Mahendra N. Shah being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years for a term up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing CA Mahendra N. Shah as a candidate for the office of director of the company.

In the opinion of the board, CA Mahendra N. Shah fulfils the conditions specified in the companies act, 2013 and rules made there under for his appointment as an independent director of the company and is independent of the management. Copy of the draft letter of appointment of CA Mahendra N. Shah as an independent director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of CA Mahendra N. Shah as an independent director. Accordingly, the board recommends the resolution in relation to appointment of CA Mahendra N. Shah as an independent director, for the approval of the members of the company.

CA Mahendra N. Shah, being an appointee is concerned and interested in the resolution. CA Chirag M. Shah being related to CA Mahendra N. Shah is also concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 8. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item No. 9**

Mr. Vishvajit M. Mehta is a non-executive independent director of the company. He joined the board of directors of the company in October 1993. He is a member of audit committee of the company.

Mr. Vishvajit M. Mehta aged about 84 years is a reputed industrialist. He is actively associated with Lions Club and has contributed towards social cause.

Mr. Vishvajit M. Mehta is not a director in any other company in India and he is holding 10 equity shares in the company.

Mr. Vishvajit M. Mehta is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies act, 1956. In terms of section 149 and other applicable provisions of the companies act, 2013, Mr. Vishvajit M. Mehta being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Mr. Vishvajit M. Mehta as a candidate for the office of director of the company.

In the opinion of the board, Mr. Vishvajit M. Mehta fulfils the conditions specified in the companies act, 2013 and rules made there under for his appointment as an independent director of the company and is independent of the management. Copy of the draft letter of appointment of Mr. Vishvajit M. Mehta as an independent director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Mr. Vishvajit M. Mehta as an independent director. Accordingly, the board recommends the resolution in relation to appointment of Mr. Vishvajit M. Mehta as an independent director, for the approval of the members of the company.

Mr. Vishvajit M. Mehta being an appointee is concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 9. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item No. 10**

Dr. Gaurang K. Dalal is a non-executive independent director of the company. He joined the board of directors of the company in January, 2010. Dr. Gaurang K. Dalal is a member of corporate social responsibility committee, stakeholder's relationship committee and audit committee of the company.

Dr. Gaurang K. Dalal, MBBS aged about 62 years is one of the senior and leading practicing doctors in Ahmedabad.



Dr. Gaurang K. Dalal is a director in Narmada Fintrade Private Ltd., Denis Chem Lab Ltd., Saubhagya Investors and Dealers Private Ltd. and Samridhi Holding Private Ltd. He is holding 10 equity shares in the company.

Dr. Gaurang K. Dalal is director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies act, 1956. In terms of section 149 and other applicable provisions of the companies act, 2013, Dr. Gaurang K. Dalal being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years for a term up to 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Dr. Gaurang K. Dalal as a candidate for the office of director of the company.

In the opinion of the board, Dr. Gaurang K. Dalal fulfils the conditions specified in the companies act, 2013 and rules made there under for his appointment as an independent director of the company and is independent of the management. Copy of the draft letter of appointment of Dr. Gaurang K. Dalal as an independent director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Dr. Gaurang K. Dalal as an independent director. Accordingly, the board recommends the resolution in relation to appointment of Dr. Gaurang K. Dalal as an independent director, for the approval of the members of the company.

Dr. Gaurang K. Dalal being an appointee is concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 10. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item No. 11**

Dr. Janak D. Desai is a non-executive independent director of the company. He joined the board of directors of the company in January, 2011. He is a member of corporate social responsibility committee and nomination and remuneration committee of the company.

Dr. Janak D. Desai, aged about 56 years is a M.S., M.Ch and is a senior urologist with an extensive experience

in endoscopic surgeries and urological cancer surgeries. He is a very senior professional in his field and is a member of various international organizations in the field of urology.

Dr. Janak D. Desai is a director in Samved Hospital Private Ltd. and Samved Medicare Private Ltd. He is holding 12 equity shares in the company.

Dr. Janak D. Desai is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the companies act, 1956. In terms of section 149 and other applicable provisions of the companies act, 2013, Dr. Janak D. Desai being eligible and offering himself for appointment, is proposed to be appointed as an independent director for five consecutive years for a term upto 31<sup>st</sup> March, 2019. A notice has been received from a member proposing Dr. Janak D. Desai as a candidate for the office of director of the company.

In the opinion of the board, Dr. Janak D. Desai fulfils the conditions specified in the companies act, 2013 and rules made there under for his appointment as an independent director of the company and is independent of the management. Copy of the draft letter of appointment of Dr. Janak D. Desai as an independent director setting out the terms and conditions of his appointment would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day.

The board considers that his continued association would be of immense benefit to the company and it is desirable to continue to avail services of Dr. Janak D. Desai as an independent director. Accordingly, the board recommends the resolution in relation to appointment of Dr. Janak D. Desai as an independent director, for the approval of the members of the company.

Dr. Janak D. Desai being an appointee is concerned and interested in the resolution. No other directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 11. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchange.

#### **Item No. 12**

The company has invited and accepted deposits from Public under the provisions of the companies act 1956 and companies (acceptance of deposits) rules, 1975. The companies act, 2013 and companies (acceptance of deposits) rules, 2014 allows the company to invite

and accept deposits to the extent of 25% of its paid up capital and free reserves from general public and to the extent of 10% of its paid up capital and free reserves from its shareholders after passing a resolution at the annual general meeting of the company and after complying with various requirements as mentioned in section 73 and section 76 of the companies act, 2013 and companies (acceptance of deposits) rules, 2014. The consent of the members of the company is accordingly sought for the purpose of inviting and accepting deposits by way of passing an ordinary resolution as mentioned in item no.12.

It is also proposed to authorize the board of directors of the company to invite and accept secured or unsecured deposits and take all the necessary steps to ensure compliance of the provisions of section 73 and 76 of the companies act, 2013 and companies (acceptance of deposits) rules, 2014 for the purpose of inviting and accepting such deposits from general public and share holders as aforesaid and for the purpose of filing a circular or circular in the form of advertisement with registrar of companies before one month of issuance of such circular or advertisement and subsequently issuance of such circular or advertisement in the manner as indicated in the resolution.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no.12.

### **Item No. 13**

The members of the company had pursuant to a special resolution passed in the annual general meeting held on 14<sup>th</sup> August, 2013 approved remuneration of Mr. Varun P. Mehta for the remaining tenure of his appointment from 16<sup>th</sup> January, 2013 to 15<sup>th</sup> January, 2015.

The nomination and remuneration committee and the board of directors of the company at their respective meetings held on 30<sup>th</sup> May, 2014 approved the following revised remuneration to Mr. Varun P. Mehta as the executive director of the company for the period from 1<sup>st</sup> June 2014 to 15<sup>th</sup> January, 2015 and approval of the members of the company is sought to the same in terms of the provisions of section 197 and other applicable provisions of the companies act, 2013 read with schedule V to the said act as may be amended from time to time :

a) Salary : Up to ₹ 5,00,000/- per month as approved by the board from time to time and as permissible under schedule V of the companies act, 2013

b) Perquisites : Including residential accommodation, furniture, furnishings and fixtures, gas, electricity, water, medical benefits in India or overseas, leave and leave travel facilities, employees stock option schemes etc. as may be approved by the board of directors from time to time. Such perquisites may also be provided by way of cash allowances in lieu thereof wherever appropriate. The said perquisites and allowances shall be evaluated wherever applicable, as per the provisions of the income tax act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof and in absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Company's contribution to provident fund, superannuation or annuity fund, to the extent this singly or together under the income tax law and gratuity payable and encashment of leave, as per the rules of the company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration.

Salary and monetary value of perquisites shall be within the overall ceiling on remuneration under the provisions of section 197 and other applicable provisions of the companies act, 2013 and schedule V to the said act as may be amended from time to time.

c) The executive director shall be allowed reimbursement of entertainment, travelling, lodging and boarding including for their respective spouses during their business trips, any medical assistance provided including for their respective family members and provision of cars for use on company's business and telephone expenses at residence and the same shall not be considered as perquisites.

d) The executive director shall not so long as he functions as such be paid any sitting fees for attending the meetings of the board of directors or committee thereof.

e) Notwithstanding anything herein contained, where in any financial year during the period of his office as the executive director, the company has no profits or its profits are inadequate, the company may, subject to the requisite approvals, pay Mr. Varun P. Mehta remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in section II of schedule V to the companies act 2013 as may be agreed to by the board of directors and Mr. Varun P. Mehta.



All other terms and conditions of the agreement entered into with Mr. Varun P. Mehta remains the same and valid for the remaining tenure of his appointment till 15<sup>th</sup> January, 2015 except that his office shall be liable to determination by retirement of directors by rotation and if is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the Executive Director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the Executive Director.”

In view of the provisions of section 197 and other applicable provisions of the companies act, 2013, the board recommends the special resolution set out at item no.13 of the accompanying notice for the approval of the members.

Copy of the draft supplemental agreement referred to in the resolution would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day upto and including date of the annual general meeting.

Mr. Varun P. Mehta is concerned and interested in the resolution. Mr. Priyam B. Mehta, Mrs. Sujata P. Mehta and Mr. Vishal P. Mehta to whom Mr. Varun P. Mehta is related may also be regarded as concerned and interested in the resolution. None of the other directors, key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at item no.13. This explanatory statement may also be regarded as a disclosure under clause 49 of the listing agreement with stock exchange.

#### **Item No. 14**

The company had pursuant to a special resolution passed by the members in the annual general meeting held on 23<sup>rd</sup> July, 2011 executed an agreement dated 10<sup>th</sup> November, 2011 (hereinafter referred to as the said agreement”) with Mr. Vishal P. Mehta for his appointment as the executive director of the company for the period of five years with effect from 26<sup>th</sup> July, 2011 to 25<sup>th</sup> July, 2016. Pursuant to the said special resolution and agreement entered into with him the remuneration to Mr. Vishal P. Mehta as the executive director of the company was approved for the period of three years with effect from 26<sup>th</sup> July, 2011 to 25<sup>th</sup> July, 2014.

The nomination and remuneration committee and the board of directors of the company at their respective meetings held on 30<sup>th</sup> May, 2014 approved the

following revised remuneration to Mr. Vishal P. Mehta as the executive director of the company for the remaining period of his appointment and approval of the members of the company is sought to the same in terms of the provisions of section 197 and other applicable provisions of companies act, 2013 read with schedule V to the said act as may be amended from time to time :

- a) Salary : Up to ₹ 5,00,000/- per month as approved by the board from time to time and as permissible under schedule V of the companies act, 2013
- b) Perquisites : Including residential accommodation, furniture, furnishings and fixtures, gas, electricity, water, medical benefits in India or overseas, leave and leave travel facilities, employees stock option schemes etc. as may be approved by the board of directors from time to time. Such perquisites may also be provided by way of cash allowances in lieu thereof wherever appropriate. The said perquisites and allowances shall be evaluated wherever applicable, as per the provisions of income tax act, 1961 or any rules made there under or any statutory modification(s) or re-enactment thereof and in absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Company’s contribution to provident fund, superannuation or annuity fund, to the extent this singly or together under the income tax law and gratuity payable and encashment of leave, as per the rules of the company and to the extent not taxable under the income tax law shall not be included for the purpose of computation of the overall ceiling of remuneration.

Salary and monetary value of perquisites shall be within the overall ceiling on remuneration under the provisions of section 197 and other applicable provisions of the companies act, 2013 and schedule V to the said act as may be amended from time to time.

- c) The executive director shall be allowed reimbursement of entertainment, travelling, lodging and boarding including for their respective spouses during their business trips, any medical assistance provided including for their respective family members and provision of cars for use on company’s business and telephone expenses at residence and the same shall not be considered as perquisites.
- d) The executive director shall not so long as he functions as such be paid any sitting fees for attending the meetings of the board of directors or committee thereof.

e) Notwithstanding anything herein contained, where in any financial year during the period of his office as the executive director, the company has no profits or its profits are inadequate, the company may, subject to the requisite approvals, pay Mr. Vishal P. Mehta remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in schedule V to the companies act 2013 as may be agreed to by the board of directors and Mr. Vishal P. Mehta.

All other terms and conditions of the agreement entered into with Mr. Vishal P. Mehta remains the same and valid for the remaining tenure of his appointment till 25<sup>th</sup> July, 2016 except that his office shall be liable to determination by retirement of directors by rotation and if is reappointed as a director, immediately on his retirement by rotation, he shall continue to hold the office of the Executive Director and such reappointment as a director shall not be deemed to constitute a break in his appointment as the Executive Director.”

In view of the provisions of section 197 and other applicable provisions of the companies act, 2013, the board recommends the special resolution set out at item no.14 of the accompanying notice for the approval of the members.

Copy of the draft supplemental agreement referred to in the resolution would be available for inspection without any fee by the members at the registered office of the company during normal business hours on any working day upto and including date of the annual general meeting.

Mr. Vishal P. Mehta is concerned and interested in the resolution. Mr. Priyam B. Mehta, Mrs. Sujata P. Mehta and Mr. Varun P. Mehta to whom Mr. Vishal P. Mehta is related may also be regarded as concerned and interested in the resolution. None of the other directors of the company, key managerial personnel and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at item no.14. This explanatory statement may also be regarded as a

disclosure under clause 49 of the listing agreement with stock exchange.

#### **Item No. 15**

The members of the company at their 70<sup>th</sup> annual general meeting held on 26<sup>th</sup> July, 2011 approved by way of an ordinary resolution under section 293 (1) (d) of the companies act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 100 crores (Rupees one hundred crores).

Section 180 (1) (c) of the companies act, 2013 requires that the board of directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the companies bankers in the ordinary course of business, except with the consent of the company accorded by way of special resolution.

It is, therefore, necessary for the members to pass a special resolution under section 180 (1) (c) and other applicable provisions of the companies act, 2013, as set out in item no.15 of the notice, to enable the board of directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the company. Approval of members is being sought to borrow money upto ₹ 150 crores (Rupees one hundred fifty crores) in excess of the aggregate of the paid up share capital and free reserves of the company.

None of the directors and key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no.15.

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

Place : Ahmedabad  
Date : May 30, 2014



# DIRECTORS' REPORT

To  
THE SHAREHOLDERS,

Your directors have pleasure in presenting the 73<sup>rd</sup> annual report together with audited statements of accounts of the company for the financial year ended 31<sup>st</sup> March, 2014.

## FINANCIAL RESULTS:

	2013-2014 (₹ in Lacs)	2012-2013 (₹ in Lacs)
Revenue from operations (gross)	53104.33	50763.05
Operating profit before interest, depreciation and taxation	2606.87	2041.78
Less : Interest	806.31	787.60
<b>Gross profit</b>	<b>1800.56</b>	<b>1254.18</b>
Less: depreciation	642.50	605.21
<b>Profit before tax</b>	<b>1158.06</b>	<b>648.97</b>
Less : Current taxation	375.50	130.00
Provision for deferred tax	116.03	140.62
MAT credit for current year	-	(56.40)
MAT credit for earlier years	-	(275.60)
<b>Net Profit for the year</b>	<b>666.53</b>	<b>710.35</b>
Add: Balance brought forward from previous year	699.59	295.53
<b>Amount available for appropriation</b>	<b>1366.12</b>	<b>1005.88</b>
<b>Appropriations :</b>		
Transfer to general reserve	500.00	200.00
Proposed dividend on equity shares	118.50	90.85
Tax on dividend	20.14	15.44
Balance carried forward to balance sheet	727.48	699.59
	<b>1366.12</b>	<b>1005.88</b>

## YEAR IN RETROSPECT :

Your directors are very pleased to report that during the year under review, the revenue from operations (gross) of your company has increased to ₹ 53104.33 lacs from ₹ 50763.05 lacs. There has been increase in the input costs during the year under review. However, with better price realization of finished products, better product mix, improved technical parameters and application of stringent cost cutting measures, your company has been able to increase the profitability. The operating profit of the company is ₹ 2606.87 lacs as against ₹ 2041.78 lacs in the previous year. The Gross Profit of the Company stands at ₹ 1800.56 lacs as against ₹ 1254.18 lacs in the previous year. During the year under review, the profit before tax of the company increased by 78% from ₹ 648.97 lacs to ₹ 1158.06 lacs and the net profit after tax (without considering the write back of MAT credit of current year and earlier years) increased by 76% from ₹ 378.35 lacs to ₹ 666.53 lacs.

With effect from August, 2013 your company has

discontinued its arrangement with Yashwant Sahakari Glucose Karkhana Limited. The company is in the process of giving effect to the terms of agreement entered into with Yashwant Sahakari Glucose Karkhana Limited on such discontinuation of the arrangement.

## FUTURE OUTLOOK :

With less than normal rains projected in the current year, your directors expect that the price of all inputs like maize, coal, chemicals, electricity etc. may be substantially higher. Your Directors are, however hopeful that the company would be able to improve its profitability by getting better price realization for its products, change in the product mix, further improvement in technical efficiency and continued application of stringent cost cutting measures at all levels.

With installation of new equipments, de-bottlenecking, automation of the existing production processes and improvement in effluent treatment facilities, your directors expect that the company would be able to increase the grinding activity as compared to previous years. By doing so your company will be able to achieve a higher top line and improved bottom line in the years to come.

## DIVIDEND :

Your directors are pleased to recommend dividend at the rate of ₹ 150/- per equity share (previous year ₹ 115/- per equity share) for the financial year ended 31<sup>st</sup> March, 2014, 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 17<sup>th</sup> July, 2014.

The total outflow on account of dividend will be ₹ 138.64 lacs including dividend tax of ₹ 20.14 lacs.

## TECHNICAL ASSISTANCE AGREEMENTS:

The company is continuing to avail the benefits of technical expertise from M/s Tate & Lyle, Belgium and SIGMA Mudhendislik Makine Sanayi Ve Ticaret Auaturk Mahallesi, Girne Cad, Turkey which has enabled it to improve the technical parameters of the production processes and also improve the quality of its products.

## EXPORTS :

Your directors are very happy and proud to report that there has been an increase in the export turnover of the company during the year under review and your company continues to be the largest exporter of starches and its derivative products in the starch industry. Export in quantitative terms increased by 30% during the year under review. The export turnover of the company increased to ₹ 15692.19 lacs as against ₹ 11325.28 lacs in the previous year which indicates an



increase of 39%. The company intends to continue with its long term export oriented marketing policy by penetrating more in its existing international market and exploring new avenues for its high value products.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT :**

The management discussion and analysis report as required under clause 49 of the listing agreement with the Ahmedabad Stock Exchange has been attached and forms part of this directors' report.

#### **GREEN INITIATIVE :**

During the year, the company has started generating electrical units from biogas engine of 1800 KVA which utilizes biogas captured while treating the effluents which are generated from the manufacturing processes of the company. This results in saving of power cost. Utilization of biogas for generation of electricity reduces emission of the green house gases into environment and thus supports green environment.

The company has further improved and upgraded its effluent treatment facilities, keeping in mind the proposed expansion plans by installing new anoxic tank with agitators and new aeration tank with diffuser system. The company has also installed new equalization tanks to collect and properly mix raw effluents. All the aforesaid measures have further improved the compliance norms and contributes to green environment. The company is in the process of installing new ESP for stand by boiler to ensure cleaner air. The company has already planted about 3000 trees and is further increasing the plantation in its premises to ensure a greener environment.

#### **MARKETING:**

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 total turnover of the company, the total receivables at the end of the year has decreased and average credit period has also reduced due to untiring efforts on the part of the sole selling agents.

Considering the persistent untiring efforts of the sole selling agents to find new markets, maintaining customers, exploring new avenues for the products and follow up for the collection of dues, it is proposed to continue to avail valuable services rendered by the sole selling agents. The company has applied to the Central Government for its approval to the reappointment of M/s L G & Doctors Associates Private Limited as the sole selling agents of the company for further period of five years with effect from 1<sup>st</sup> October, 2013 and the approval is awaited.

#### **PUBLIC DEPOSITS :**

Deposits aggregating ₹ 7.22 lacs due for repayment on or before 31<sup>st</sup> March, 2014 were not claimed by the depositors on that date. As on the date of this report, from the aforesaid amount, deposits aggregating ₹ 3.58 lacs have been claimed/paid.

Your company has accepted the deposits after complying with the provisions of the companies act, 1956 and companies (acceptance of deposits) rules, 1975. Now, as per the provisions of the companies act, 2013 which is applicable with effect from 1<sup>st</sup> April, 2014, the company can invite and accept new deposits only after complying with the provisions of the said act and companies (acceptance of deposits) rules, 2014. Your company has initiated various steps for compliance of the provisions of the companies act, 2013 and rules made there under for invitation and acceptance of deposits and till such time the deposits accepted by the company under the old companies act, 1956 are being repaid by the company.

Your directors appreciate the support which the company has received from the public and shareholders to its fixed deposit scheme and expect that once the company starts to invite and accept deposits from public and shareholders after complying with the requirements of the companies act, 2013 and rules made there under, the new fixed deposit scheme would also receive the same overwhelming response from the public.

#### **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.

#### **CORPORATE GOVERNANCE :**

Your company has complied with the requirements of corporate governance as required under clause 49 of the listing agreement entered with the Ahmedabad Stock Exchange where the company's shares are listed. A separate report on corporate governance forms the part of the annual report. A certificate from the auditors regarding compliance of conditions of corporate governance also forms the part of this report.

#### **DIRECTORS :**

A special resolution has been proposed for the approval of the members for increase in remuneration to be paid to Mr. Varun P. Mehta, the executive director of the company from 1<sup>st</sup> June, 2014 to 15<sup>th</sup> January, 2015, details of which are mentioned in the explanatory statement of the notice of the 73<sup>rd</sup> Annual General Meeting.

A special resolution has also been proposed for approval of members to the revision of remuneration to be paid to Mr. Vishal P. Mehta for the remaining tenure of his



office as the executive director of the company, details of which are mentioned in the explanatory statement under section 102 of the companies act, 2013 annexed to the notice of the 73<sup>rd</sup> Annual General Meeting.

Mr. Varun P. Mehta retires by rotation at the forthcoming annual general meeting and being eligible, offers himself for re-appointment.

Mrs. Sujata P. Mehta who was appointed as an additional director of the company by the board of directors vacates her office at 73<sup>rd</sup> annual general meeting and is proposed to be appointed as a director of the company whose period of office shall be liable to determination by retirement of directors by rotation.

After coming into force of section 149 and other applicable provisions of the companies act, 2013 it is proposed to appoint CA Chirag M. Shah, CA Mahendra N. Shah, Mr. Vishvajit M. Mehta, Dr. Gaurang K. Dalal and Dr. Janak D. Desai as independent directors for five consecutive years for a term upto 31<sup>st</sup> March, 2019, details of which are mentioned in the explanatory statement annexed to the notice of the 73<sup>rd</sup> Annual General Meeting.

#### **AUDITORS :**

Members are requested to appoint the auditors to hold the office from conclusion of this annual general meeting till the conclusion of 76<sup>th</sup> annual general meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every annual general meeting) and to fix their remuneration in a manner as mentioned in the resolution.

The company has received letter from the auditors to the effect that their re-appointment, if made, would be within the prescribed limits under section 141 (3) (g) of the companies act, 2013 and that they are not disqualified for re-appointment.

#### **COST AUDITORS :**

Subject to such guideline(s)/ order(s) as may be issued by the Central Government from time to time the board of directors of the company has appointed M/s Dalwadi and Associates, Cost Accountants, Ahmedabad as the cost auditor of the company for the financial year ending on 31<sup>st</sup> March, 2015 on a remuneration of ₹ 1,00,000/- per annum plus service tax and out of pocket expenses and the same is required to be ratified by the members at the annual general meeting as per the provisions of companies act, 2013.

#### **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 31<sup>st</sup> March, 2014 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 chairman and managing director and the executive directors in the management and conduct of the affairs of the company. The directors also express their appreciation for the devoted services of the sole selling agents. Your directors also thank Punjab National Bank, banker to the company for extending financial assistance by way of working capital facilities and term loans at competitive rates. Your directors also wish to place on record their deep sense of appreciation for the devoted services of the company's executives, staff, workers and all associated, directly and indirectly with the affairs of the company.

**For and on behalf of the Board of Directors**  
Priyam B. Mehta  
**Chairman and Managing Director**

Place : Ahmedabad  
Date : 30<sup>th</sup> May, 2014

# 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 31<sup>st</sup> March, 2014.

## A. Conservation of energy :

### (a) Energy conservation measures taken:

1. 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 :

- The company has made arrangement for internal recycling of cooling tower water by supplying soft water and reduces consumption of soft water by 300 M<sup>3</sup>/day.
- The company continues to educate and give in-house training to its shop floor personnel in co-ordination with SIGMA & Tate & Lyle - the technical experts which has resulted in reduction of consumption of energy by consistently maintaining process parameters.
- The company has installed surface condensers in evaporators and generated vapor condensate which has reduced D M water generation and raw water consumption.
- Power plant efficiency has improved resulting into reduction in fuel consumption.

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

- The company is further planning to install fully automated starch dryer which will reduce consumption of steam and power.
- Bio-digester efficiency is being improved which will increase generation of bio-gas which in will further improved generation of power.
- Energy efficient motors and equipments are being installed/replaced. New grinding equipments are being installed for better performance.

### (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:

		2013- 2014	2012- 2013
<b>1. Electricity</b>			
a) Purchased			
Units	000 Kwh	11070	10684
Total amount	₹ in lacs	704.81	725.81
Rate/Unit	₹	6.37	6.79
b) Own Generation			
(i) Through steam turbine/generator	000 Kwh	24408	22989
Units			
(ii) Through Gas Engine/Generator	000 Kwh	5590	5181
Units			
(iii) Others	000 Kwh	2	1
<b>2. Coal/Lignite/DoC</b>			
Quantity	000 tons	80	77
Total cost	₹ in lacs	2988.75	2852.22
Average rate	₹/Ton	3750	3697
<b>3. Diesel Oil</b>			
Total amount	₹ in lacs	1.23	1.15

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

		Standards	2013- 2014	2012- 2013
Electricity	Kwh	—	336	330
Diesel	Ltrs.	—	0.02	0.02
Coal	M.T.	—	0.65	0.66
Others		—	NIL	NIL

## B. Technology absorption:

### Research and development (R & D)

Efforts continue at all levels to improve operational efficiency and product upgradation 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:

- Efforts, in brief, made towards technology absorption, adaptation and innovation:



- a. Quality and yield of starch slurry has improved in co-ordination of technical collaboration team.
  - b. The company has continued its efforts of educating/training shop floor employees resulting into improvement in the quality of dextrose syrup and other products. This in turn has helped in maintaining consistent operation of plants and has increased production of products.
2. Benefits derived as a result of the above efforts :
- The fine tuning and process modification has resulted in improvement of efficiency at all levels.
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 :**

During the year under review, the company has entered into a technical assistance agreement with SIGMA & has continued its technical assistance agreement with Tate & Lyle SIGMA will share their technical know-how and expertise in good faith for improvement of production efficiency of the plants of the company.

- |   |   |
|---|---|
| (b) Year of Import  | — |
| (c) Has technology been fully absorbed.   | — |
| (d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action. | — |

**C. Foreign Exchange earnings and outgo:**

The above information in respect of Foreign exchange earnings and outgo is set out in Note No.23 (x) and 23(xi) to the Accounts.

# CORPORATE GOVERNANCE REPORT

## OVERVIEW OF CORPORATE GOVERNANCE OF SAYAJI INDUSTRIES LTD. AT GLANCE

Sayaji Industries Limited believes in good corporate governance to achieve highest standard of transparency, integrity, accountability and good corporate practices which help all the stakeholders like the shareholders, employees, creditors, lenders and society at large. The company has been prompt in discharging its statutory and social obligations. The board of directors supports the broad principles of corporate governance and is committed to align and direct the actions of the company to achieve the objectives of transparency, accountability and integrity.

At Sayaji, corporate governance has grown since 73 years with its journey of efficient industrial entrepreneurship. Company is in continued compliance with guideline of corporate governance since many years as stipulated in clause 49 of the listing agreement with the Ahmedabad Stock Exchange limited.

### BOARD OF DIRECTORS

#### BOARD MEETINGS

The board of directors comprises of nine directors out of which three are executive directors and six are non-executive directors. Except Mrs. Sujata P. Mehta all other non-executive directors are independent directors and are leading professionals from varied fields whose input bring in independent judgment to the discussions and deliberations in the board meetings. During the year 2013-14 four Board meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014.

#### Composition and attendance of each director at the meeting of the board of directors and at the last AGM

The composition of the board of directors and their attendance at the meetings of board of directors during the year and at last annual general meeting are given below :

Name of the director	DIN	Category of directorship	No. of board meetings attended	No. of directorships held in other Indian public limited companies	Attendance at the last AGM	Qualification shares held by non-executive directors
Mr. Priyam B. Mehta	00030933	Executive-Chairman & managing director	4	1	Yes	-

Name of the director	DIN	Category of directorship	No. of board meetings attended	No. of directorships held in other Indian public limited companies	Attendance at the last AGM	Qualification shares held by non-executive directors
Mr. Varun P. Mehta	00900734	Executive director	4	1	Yes	-
Mr. Vishal P. Mehta	02690946	Executive director	4	-	Yes	-
CA Mahendra N. Shah	00021194	Non executive -Independent director	4	1	Yes	10
Mr. Vishvajit M. Mehta	00032207	Non Executive -Independent Director	4	-	Yes	10
Dr. Janak D. Desai	02565216	Non executive -Independent director	4	-	Yes	13
Dr. Gaurang K. Dalal	00040924	Non executive -Independent director	4	1	Yes	10
CA Chirag M. Shah	00021298	Non executive -Independent director	4	-	Yes	11
Mrs. Sujata P. Mehta*	00037746	Non executive director	2	-	N A	-

\* Mrs. Sujata P. Mehta was appointed as an additional director with effect from 14<sup>th</sup> November, 2013. She has attended two meetings held after her appointment.

- None of the non-executive independent directors of the company have any pecuniary relationships or transactions with the company except holding qualification shares in the company.
- None of the directors of the company holds any membership/chairmanship in board committees of other companies.
- There is no compensation package except payment of sitting fees to the non-executive directors.
- The non-executive directors are accomplished professionals in their respective fields and provide valuable inputs at the discussions and deliberations at the meeting of board of directors. The details of directors seeking appointment/ re-appointment at the ensuing annual general meeting as required under clause 49(IV) (G) of the listing agreement are given in notice convening the annual general meeting of the company and in the explanatory statement attached to the said notice.
- There is no nominee director on the board as at 31<sup>st</sup> March, 2014.
- All the information required to be furnished to the board of directors was made available to them along with the detailed notes. This information includes minutes of meeting of audit committee, nomination and remuneration committee, stakeholders relationship committee, information about



recruitment of senior officers just below the board level, materially important litigations, show cause/ demand notices, prosecution and penalty, fatal or serious accidents or dangerous occurrences, material effluent or pollution problems if any, material default in financial obligations if any, sale of material nature of investments, sale of assets which are not in the normal course of business, details of joint venture, acquisition of companies or collaboration agreement, details of foreign exchange exposure and the steps taken by the management to limit the risks of adverse exchange rate movement, non compliance of any regulatory, statutory or listing requirements as well as shareholder services such as non-payment of dividends etc.

#### AUDIT COMMITTEE

The company has formed the audit committee comprising of three independent directors and the chairman and managing director of the company. During the year four audit committee meetings were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014.

The terms of reference and powers of audit committee have been redefined by the board of directors of the company to ensure its compliance with the provisions of corporate governance under clause 49 of the listing agreement and section 177 of the companies act, 2013. The minutes of the audit committee meetings are circulated to board of directors of the company.

**The composition of audit committee and particulars of attendance at the audit committee meetings during the year under review are given below :**

Name of directors	Chairman/Member	Category of Directorship	No. of meetings attended
CA Chirag M. Shah	Chairman	Non-executive – independent	4
Mr. Vishvajit M. Mehta	Member	Non-executive – independent	4
Dr. Gaurang K. Dalal	Member	Non-executive – independent	4
Mr. Priyam B. Mehta	Member	Executive – promoter	4

The audit committee has recommended to the board for reappointment of M/s Deloitte Haskins and Sells, Chartered Accountants, as the statutory auditors of the company till the conclusion of 76<sup>th</sup> annual general meeting of the company to be held in the year 2017 (Subject to ratification of their appointment at every annual general meeting) and the necessary resolution for their re-appointment as statutory auditors is placed before the members at the 73<sup>rd</sup> annual general meeting.

The audit committee has also recommended to the board for re-appointment of M/s Dalwadi and Associates (Cost Accountants) as the cost auditors of the company

to audit the cost records maintained by the company in respect of its products subject to such guidelines/orders as may be issued by the central government in this regards and a necessary resolution for ratifying their re-appointment and remuneration is placed before the members at the 73<sup>rd</sup> annual general meeting.

#### NOMINATION AND REMUNERATION COMMITTEE

The board of directors at its meeting held on 30<sup>th</sup> May, 2014 changed the name of remuneration committee to nomination and remuneration committee. The company has three whole time directors on the board whose remuneration is approved by the committee subject to approval of the board of directors, members and if required by the central government in compliance with the provisions of erstwhile companies act, 1956, companies act, 2013 and relevant schedules under the said acts. Members of remuneration committee are CA Mahendra N. Shah - Independent director as the chairman, CA Chirag M. Shah - Independent director and Dr. Janak D. Desai - Independent director as members.

The terms of reference of the committee, inter alia, include: (a) formulation of policy for determining qualification, positive attributes and independence of a director and remuneration for the directors, key managerial personnel and other employees and recommending the same to the board and (b) identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria as per the policy approved by the board. The policy of the company is to remain competitive in the industry, to attract and retain the best talent and appropriately reward executives for their individual performance and contribution to the business.

During the year 2013-14, meetings of nomination and remuneration committee were held on 30.05.2013 and 14.08.2013. Dr. Janak D. Desai and CA Mahendra N. Shah attended both the meetings. CA Chirag M. Shah attended the meeting held on 14.08.2013.

Details of remuneration paid to directors :

(₹ in Lacs)

Name of director	Salary	Perquisites	Sitting fees for attending meeting of board of directors and committee meetings
Mr. Priyam B. Mehta	53.20	14.93	
Mr. Varun P. Mehta	24.50	11.03	
Mr. Vishal P. Mehta	25.00	7.62	
CA Mahendra N. Shah			0.90
Mr. Vishvajit M. Mehta			0.80
Dr. Janak D. Desai			0.70
Dr. Gaurang K. Dalal			1.00
CA Chirag M. Shah			0.85
Mrs. Sujata P. Mehta			0.30

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The board of directors at its meeting held on 30<sup>th</sup> May, 2014 changed the name of the committee from shareholders grievance committee to stakeholders relationship committee. The terms of reference of the committee had been revised by the board of directors to resolve grievances of shareholders, investors, public deposit holders and other stakeholders of the company.

The members of company’s stakeholders relationship committee are CA Mahendra N. Shah- chairman, Dr. Gaurang K. Dalal-member, Mr. Varun P. Mehta- member and Mr. Vishal P. Mehta-member. During the year 2013-14, meetings of stakeholders relationship committee were held on 30.05.2013, 14.08.2013, 14.11.2013 and 13.02.2014 which were attended by all the members of the committee.

Number of investor complaints received, solved and pending during the period from 1.4.2013 to 31.3.2014

Nature of complaints	Received	Solved	Pending
Transfer of shares	7	7	0
Query relating to NSDL/ CDSL operations	0	0	0
Correction of names on securities	0	0	0
Non receipt of dividends	8	8	0
Others	2	2	0

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)**

The board of directors of the company at its meeting held on 30<sup>th</sup> May, 2014 constituted CSR committee comprising of Mr. Varun P. Mehta- Executive Director as chairman, Dr. Gaurang K. Dalal- independent director as member and Dr. Janak D. Desai - independent director as member.

The board has also requested the committee to formulate CSR policy keeping in mind the requirements of schedule VII to the companies act, 2013. Once such CSR policy is formulated by the committee and adopted by the board, the company may spend at least 2% of its average net profits in three immediately preceding financial years in pursuance of objectives of its CSR policy. The CSR policy once formulated will also be placed on the website of the company.

**SHARE TRANSFER COMMITTEE**

The board of directors also constituted share transfer committee for transfer and transmission of shares. The whole time directors and company secretary are members of the said transfer committee. Mostly, two meetings are held every month to ensure that the shares are transferred to the transferees within stipulated period as mentioned in the listing agreement with the stock exchange.

**GENERAL BODY MEETING**

**Location and time for the last three Annual General Meetings**

Year ended	Date	Time	Venue	No. of special resolutions passed
31 <sup>st</sup> March, 2013	14 <sup>th</sup> August, 2013	10.30 a.m.	Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad-382430	3
31 <sup>st</sup> March, 2012	7 <sup>th</sup> August, 2012	9.30 a.m.	Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad-382430	3
31 <sup>st</sup> March, 2011	26 <sup>th</sup> July, 2011	10.30 a.m.	Registered Office of the Company at P.O. Kathwada, Maize Products, Ahmedabad-382430	2

**DISCLOSURES**

**Disclosures on materially significant related party transactions**

The related party transactions entered during the year are disclosed in the note 23(xii) to accounts in this annual report.

**Code of conduct**

The code of conduct for all board members and senior management of the company has been prescribed by the company. Certificate of compliance to that effect is attached to this report.

**Certification under clause 49V**

The chairman and managing director of the company has furnished the requisite certificate to the board of directors under clause 49V of the listing agreement.

**Cases of non-compliance/penalties**

There are no non-compliances by the company on any matter related to the capital markets during the last three years. Similarly, there are no penalties or strictures imposed on the company by the stock exchange, SEBI or any other statutory authorities on any matter related to capital markets during the last three years.

**MEANS OF COMMUNICATION**

The company normally publishes the quarterly and annual results in leading english & gujarati dailies.

The company has its own web-site www.maizeproducts.com on which the quarterly results are displayed.

The management discussion and analysis report is attached to the directors’ report and forms part of the annual report.

**GENERAL SHAREHOLDER INFORMATION**

**Annual general meeting**

**Day and date** : Saturday, 26<sup>th</sup> July, 2014  
**Time** : 9.00 a.m.



**Venue** : Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada - Maize Products, Ahmedabad-382430.

#### Financial calendar (tentative)

**Financial year** : April-March  
**First quarter results** : 2<sup>nd</sup> week of August, 2014  
**Half yearly results** : 2<sup>nd</sup> week of November, 2014  
**Third quarter results** : 2<sup>nd</sup> week of February, 2014  
**Fourth quarter/ annual results** : 2<sup>nd</sup> week/ end of May, 2015  
**Book closure date** : Friday, 18<sup>th</sup> July, 2014 to Saturday, 26<sup>th</sup> July, 2014 (both days inclusive)

**Dividend payment date** : 07<sup>th</sup> August, 2014

**Listing in stock exchange(s)** : Your company's shares are listed at Ahmedabad stock exchange limited.

**Notes regarding payment of annual listing fees** : The annual listing fees for the year 2014-15 has been already paid by the company.

**Stock code at Ahmedabad Stock Exchange Limited** : SAYAJIINDU / 52210

**ISIN with NSDL and CDSL** : INE327G01016

**CIN** : L99999GJ1941PLC000471

#### Market price data and stock performance

The equity shares of the company are listed only at ahmedabad stock exchange limited. There is no trading in the equity shares of the company at ahmedabad stock since last more than a decade. The data of market price and stock performance is therefore not given.

#### Compliance Officer

Rajesh H. Shah  
 company secretary &  
 Sr. executive vice president  
 Sayaji Industries Limited  
 P.O. Kathwada, Maize Products,  
 Ahmedabad-382430.  
 Phone : +91(79) 22901581-85  
 Fax : +91(79) 22902424  
 e-mail : rhs@maizeproducts.com

#### Registrar and transfer agents

Karvy Computershare Private Limited  
 Plot No.17-24 Vittalrao Nagar,  
 Madhapur,  
 Hyderabad-500081.  
 Phone No : +91(40) 23420818  
 e-mail : einward.ris@karvy.com

#### Share transfer systems

Since the company's shares are traded in the demat segment on stock exchange, bulk of the transfer takes place in the electronic form. The transfer of physical shares are handled by M/s Karvy Computershare Private Limited at the address as mentioned above.

#### Pattern of shareholding as on 31<sup>st</sup> March, 2014

Sr. No.	Category	No. of shares held	% of total shareholding
1	Promoters	59241	74.99
2	Mutual fund	0	0.00
3	Banks, financial institutions, insurance companies	14	0.02
4	Foreign institutional investors	0	0.00
5	Private bodies corporate	34	0.04
6	Indian Public	19711	24.95
7	NRIs/ OCBs	0	0.00
8	GDR/ ADR	0	0.00
	<b>Grand total</b>	<b>79000</b>	<b>100.00</b>

#### Distribution of shareholding as on 31<sup>st</sup> March, 2014

No. of equity shares	No. of folios	% of total folios	No. of shares	% of total shareholding
Less than 50	4477	98.98	14890	18.84
51 to 100	17	0.38	1136	1.44
101 to 200	6	0.13	810	1.03
201 to 300	2	0.04	522	0.66
301 to 400	4	0.09	1466	1.86
401 to 500	1	0.02	435	0.55
501 to 1000	3	0.07	2378	3.01
More than 1000	13	0.29	57363	72.61
Total	4523	100.00	79000	100.00

#### Dematerialization of shares and liquidity

The company's equity shares are available for dematerialization on both National Securities Depository Limited and Central Depository Services (India) Limited. Equity shares of the company are traded in demat form on stock exchange. 22713 equity shares being 28.75% of the capital have been dematerialized by investors and bulk of transfer takes place in the demat form.

#### Outstanding GDRs/ ADRs/ Warrants or any convertible instruments and conversion rate and likely impact on equity : Nil

#### Plant location

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

#### Address for correspondence

Shareholders may correspond with the company at its registered office at

The Secretarial department  
 Sayaji Industries Limited  
 P.O. Kathwada, Maize Products,  
 Ahmedabad-382 430.



## CERTIFICATE

### Auditors' Report on Corporate Governance :

To,  
The Members of Sayaji Industries Limited  
Ahmedabad

We have examined the compliance of the conditions of Corporate Governance by Sayaji Industries Limited ('the Company') for the year ended 31<sup>st</sup> March, 2014 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and explanations given to us, and based on the representations made by the directors and the management, we certify that the company has complied with the conditions of the Corporate Governance as stipulated in Clause 49 of the abovementioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

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

**(Gaurav J. Shah)**

Place: Ahmedabad

Date: May 30, 2014

Partner

Membership No. 35701

### Declaration by the chairman & managing director clause 49 of the listing agreement

I, Priyam B. Mehta, chairman and managing director of Sayaji Industries Limited declare that to the best of my knowledge and belief, all the members of the board of directors and senior management personnel have affirmed compliance with code of conduct for the year ended 31<sup>st</sup> March, 2014.

**Priyam B. Mehta**  
Chairman & Managing Director

Place : Ahmedabad.

Date : May 30, 2014

## CEO/CFO CERTIFICATE

To  
The Board of Directors  
Sayaji Industries Limited  
Ahmedabad

### CERTIFICATE

We have reviewed the financial results and the cash flow statement of Sayaji Industries Limited for the financial year ended 31<sup>st</sup> March, 2014 and certify that

- (a) This results and statements, to the best of our knowledge and belief :
- (i) do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- (b) To the best of our knowledge and belief, there are no transactions entered into by the company during the year which are fraudulent, illegal or violative of company's code of conduct;
- (c) We accept responsibility for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and have disclosed to the auditors and audit committee, deficiencies in the design or the operation of internal controls of which we are aware, and the steps taken and proposed to be taken to rectify this deficiency;
- (d) We have also indicated to the auditors and to the audit committee :
- (i) significant changes in the internal controls with respect to the financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) to the best of our knowledge and belief, there are no instance of fraud involving either the management or employee having a significant role in the company's internal control systems with respect to financial reporting.

**N J Deora**  
Sr. Exe. VP  
(Accounts)

**Priyam B. Mehta**  
Chairman & Managing Director

Place : Ahmedabad

Date: May 30, 2014



# MANAGEMENT DISCUSSION AND ANALYSIS

## INDIAN ECONOMY

As per estimate of organization for economic cooperation and development (OECD) Indian economy is poised to inch up by 4.9% in 2014 and is expected to gain momentum with a stable government at centre after the general elections. The said estimate by OECD is higher than the growth for the year 2013.

It is also estimated by Confederation of Indian Industries (CII) that Indian economy can grow well over 6% this fiscal which can inch upto 8% in the next two years with stable government at the centre which is expected to carry out systemic reforms. CII was of the opinion that growth slowdown and high inflation adversely impacted the employment generation and it expects the new government to concentrate on reviving growth to generate new jobs.

## STARCH INDUSTRY – AN OVERVIEW

### GLOBAL STARCH MARKET

Global starch consumption is projected to reach 133.5 million metric tons by the year 2018, driven primarily by the diversity and sheer number of end-use applications in both food and non-food industries, according to a new report from market researcher Global Industry Analysts, Inc. (GIA).

According to "Starch: A Global Strategic Business Report" economic recovery, rise in per capita consumption, and growing demand for starch products from developing nations translates into a bright outlook for the sector. Starch end-use applications have grown in number over the years, and now include diverse applications ranging from food and beverages to medicine, cosmetics, pharmaceuticals and more.

Growing consumption of liquid starches and modified starches has been one of the key reasons behind the quick recovery of the market post recession. With the global economy gradually improving and resulting in an increased intake of processed and convenience foods, the market for modified starch, which finds substantial usage in these food applications, is finding increased demand, thereby driving the overall market at a CAGR of more than 7% till 2018.

According to the report, the United States is the largest supplier of starch in the world, followed by China. Recent growth in the global starch market has been

particularly driven by developing markets in Asia-Pacific. In fact, the sector, which includes China, India, Thailand, South Korea and Philippines, is expected to have a CAGR of 9.0% till 2018.

## INDIAN STARCH SCENARIO

Maize being an agro based commodity, the production and prices of the same is largely dependent on the monsoon in India and this year the monsoon is expected to be below normal which may affect the production and price of maize in the year 2014-15.

Indian corn starch market is forecasted to double in the next four years. The utilization of corn starch in wide array of industries and new food consumption habits are the major drivers of the market. The end user industries such as paper, paint, food, textile, pharmaceutical, FMCG and confectionery are witnessing positive growth rate, thus increasing demand for corn starch in the country. India currently has more than 5,000 Tons per Day (TPD) of wet milling processing capacity spread across the country. Combined revenue of major corn starch companies have grown at a rapid pace in last five years. The growth potential for corn starch is tremendous in the country with current starch consumption per capita way below global average.

The Indian organized starch industry has an estimated size of around Rs.4000 Crores. The industry is at a nascent stage comprising around 40 starch and derivative products from corn as against international market which comprises more than 800 such products. Thus there is a huge scope of increase in demand in the coming years. During the period 2005-10, the Indian starch industry grew at a CAGR of 21% and is expected to grow at 15% p.a. in the coming years. The size of the starch industry in India is negligible as compared to international market. The profit of the industry also fluctuate from year to year due to erratic availability of the basic raw material- corn being an agri-product and depends on natural vagaries.

In other countries like USA and China, industry specific types of corn varieties are available, while in India no such segregation is done due to ignorance on the part of farmers and total absence of standardization. In India also there is a possibility of rise in the profitability of starch industry with reduction in input costs due to better recovery by using industry specific corn and by direct purchasing from farmers. There would be more concentration on the modified starch segment which is estimated to grow from approx. USD 12.76 billion in 2012 to USD 15.23 billion by 2017, being growth of 3.2% CAGR over the said period.

## OPPORTUNITIES AND THREATS

### OPPORTUNITIES

Per capita consumption of starch in India is very less at

approx. 2 kg as compared to global average of around 6 kg and US average of 65 kgs. There is also a huge scope of increase in starch and derivative products in India, where just 40 starch and derivative products are produced as against approx. 800 such products globally. All this augurs well for the starch industry in India and Sayaji Industries Limited which is one of the largest players in the Industry with diversified product portfolio is expected to gain from this growth of demand.

#### **THREATS/ RISKS**

##### **Risk relating to increased competition in Starch Industry**

There has been a huge capacity addition by major players in the starch industry which has led to fierce competition in the industry. Added to this, the price of maize and all other input costs may go up further in view of below normal monsoon, which may affect the margins of the industry.

##### **Risk mitigation**

To ensure safety and prosperity of the business, the company has indentified and minimized the risks associated with its business.

The growth of starch industry depends on growth of sectors like textile, pharmaceuticals, paper, paints, food, confectioneries, FMCG etc. All these sectors are growing at a healthy rate and this has helped all the players in the starch industry to grow at a healthy rate. The company has been able to pass on some portion of increased input costs to its clients. The company is the largest exporter in the industry and approx. 31% of its turnover comes from exports. This concentration in the export market has helped the company to get good prices for its products. The company also puts more efforts on the products with a better margin and tries to cut costs at all levels by applying stringent cost cutting measures. The company is also planning to enhance its maize grinding capacity which would be utilised to manufacture higher margin products to enhance the overall profitability of the company.

##### **Risk relating to decrease in demand**

##### **Risk mitigation**

The product portfolio of the company is diversified and the products are supplied to various industries ranging from textile, FMCG, food, paper, paints, pharmaceuticals, confectionery etc. If there is a slow down in some industry, the company concentrates more on the sectors which are growing and supplies to such industries. In addition to above sectors like paper, paints, leather, FMCG, pharmaceuticals etc. are expected to register good growth with the growth of Indian economy which is expected to increase demand for starches and its derivatives.

##### **Risk relating to scarcity/ quality of raw materials**

##### **Risk mitigation**

The major raw material of the company is maize. The company has since many years established a very efficient maize procurement policy to ensure availability of quality maize at competitive price. The company also has storing arrangement in and around its plant to ensure that sufficient stock of raw materials is maintained and there is no disruption in the production. For other important input being power, the company has its own power generating turbine wherein the power is produced at a comparatively lower rate. The company has started generating more power from biogas captured while treating its effluents which makes available green energy at a very low cost.

##### **Geographic presence is required for growth**

##### **Risk mitigation**

Though the company is located at a far distance from the maize growing area, it is near to the industries which utilizes the products of the company. Thus the disadvantage is mitigated by being near to the markets which utilizes the products of the company.

##### **Change in environment regulations**

##### **Risk mitigation**

The company has its own state-of-the-art facilities to treat the effluents generated from its manufacturing processes. The company has further improved its effluent treatment facilities keeping in mind proposed expansion plans. It has also taken all the required measures to ensure that emissions are within the statutory limits prescribed by the pollution control authorities. As indicated above, the company has started generating more electricity from the biogas procured while treating its effluents in bio digesters.

#### **BUSINESS OUTLOOK**

The company continues to remain one of the market leaders in the starch industry. The products of the company are very well accepted in local and international markets due to its quality and applications. There has been continuous increase in the maize grinding activity of the company. The company is planning to increase its activity to approx. 650 Tons/day during this year and utilise such increased facility for production of high margin products.

There has also been further improvement in the technical parameters of the company. This coupled with better realization of the products of the company has resulted in the higher turnover by during the year 2013-14 as compared to previous year. Despite of rise in the input costs, the company has been able to improve its profitability due to stringent cost cutting measures,



debottlenecking, automation and diversified product portfolio. The operating profits of the company is ₹ 2606.87 lacs as against ₹ 2041.78 lacs in the previous year. The gross profit of the company is ₹ 1800.56 lacs as against ₹ 1254.18 lacs in the previous year and the net profit after tax (without considering the write back of MAT credit of current year and earlier years) increased by almost 76% from ₹ 378.35 lacs to ₹ 666.53 lacs.

Exports during the year has increased to ₹ 15692.19 lacs during the year 2013-14 as against ₹ 11325.28 lacs in the previous year. The company is the largest exporter of starches and its derivatives in India. This is possible due to quality of the products of the company and its ability to adhere to the delivery requirements of its international clientele at competitive rates. The company has received ISO 9001:2008 which certifies the quality standards of the products and processes which the company adopts to manufacture its products. The efforts have been put to enlarge the product portfolio of the company by including the high value products to ensure that the bottom line is improved. Efforts are also on to further improve the technical efficiency of the company with the help of the consultants and experts in the field. The company has been able to establish its name in the industry and boast of reputed clients like Hindustan Unilever, Asian Paints, ITC, Colgate, Berger Paints, West Coast Papers, Zydus Cadila, Torrent etc. to name a few.

With all the efforts as aforesaid, it is expected that the operating efficiency of the company may further improve resulting into enhanced top line and bottom line in the years to come.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The company has appointed two internal auditors and has an effective internal control system commensurate with its size and nature of business to ensure that all the transactions are properly executed and recorded.

The systems are also reviewed by the management and statutory auditors of the company to ensure efficiency and transparency in the operations of the company. The system is also in place to ensure that all applicable statutory and legal formalities are complied with by the company.

#### **COMPANY PERFORMANCE AND ANALYSIS**

- Net Sales of the company has increased in terms of both quantity and value as compared to previous year.
- Export of the company has been ₹ 156.92 crores during the year under review.
- Profitability of the company has increased despite of increase in the input costs due to stringent cost cutting measures, increased productivity from debottlenecking, automation, better product mix and better price realization of finished products.
- Despite of increase in the turnover of the company the credit period has been reduced due to efforts on the part of sole selling agents of the company.
- The company enjoys highest health code from its bankers for many years which has enabled it to borrow at a comparatively lower costs.
- EPS of the company works out to ₹ 843.71.

#### **INDUSTRIAL RELATIONS**

Industrial relations remain cordial. The company organizes regular training programmes for the workers and executives to ensure that their efficiency remains high and motivation increases. The company provides ample opportunity to its employees to sharpen their skills by organizing visits of experts in its plant and by visiting the factories of collaborators. The company has been able to retain its employees for years and has ensured that they also grow with the growth of the company.

# INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS OF  
SAYAJI INDUSTRIES LIMITED**

## **Report on the Financial Statements**

We have audited the accompanying financial statements of Sayaji Industries Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit/loss of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)

(Gaurav J. Shah)

Place : Ahmedabad  
Date : May 30, 2014

Partner  
(Membership No. 35701)



# ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 three companies during the year. At the year-end, the outstanding balance of such loans taken aggregated ₹ 688.50 lacs and the maximum amount involved during the year was ₹ 868.50 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) The Company is regular in repaying the principal amounts, wherever stipulated and has been regular in the payment of interest.
- (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 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 ₹ 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 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 cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (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 31<sup>st</sup> March, 2014 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31,2014 on account of disputes are given below:

Name of the statute	Nature of dues	Year	Amount (₹ In Lacs)	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	F.Y. 2009-10	2.18	ITAT, Ahmedabad
The Income Tax Act, 1961	Income tax	F.Y. 2010- 11	2.92	The Commissioner of Appeals (Ahmedabad)

- (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) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (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)

**Gaurav J. Shah**  
Partner

Place : Ahmedabad  
Date : May 30, 2014

(Membership No. 35701)



## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2014

	Note No.	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>A EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUNDS</b>			
(a) Share Capital	2	79.00	79.00
(b) Reserves & Surplus	3	3,874.51	3,346.62
		<u>3,953.51</u>	<u>3,425.62</u>
<b>2 NON CURRENT LIABILITIES</b>			
(a) Long Term Borrowings	4	2,535.43	3,116.66
(b) Deferred Tax Liabilities (Net)	23.vi	1,108.29	992.26
(c) Long Term Provisions	5	245.32	216.75
		<u>3,889.04</u>	<u>4,325.67</u>
<b>3 CURRENT LIABILITIES</b>			
(a) Short Term Borrowings	6	3,368.22	3,069.57
(b) Trade Payables	7	4,728.12	6,846.17
(c) Other Current Liabilities	8	1,381.49	1,322.19
(d) Short Term Provisions	9	862.10	692.68
		<u>10,339.93</u>	<u>11,930.61</u>
<b>TOTAL</b>		<u><u>18,182.48</u></u>	<u><u>19,681.90</u></u>
<b>B ASSETS</b>			
<b>1 NON CURRENT ASSETS</b>			
(a) Fixed Assets			
(i) Tangible Assets	10	9,031.43	8,326.83
(ii) Capital Work-In-Progress		351.38	326.43
		<u>9,382.81</u>	<u>8,653.26</u>
(b) Non Current Investments	11	154.98	151.39
(c) Long Term Loans and Advances	12	355.48	438.25
		<u>9,893.27</u>	<u>9,242.90</u>
<b>2 CURRENT ASSETS</b>			
(a) Inventories	13	2,371.70	4,686.69
(b) Trade Receivables	14	3,887.67	3,975.48
(c) Cash and Cash Equivalents	15	176.55	99.09
(d) Short Term Loans and Advances	16	1,853.29	1,677.74
		<u>8,289.21</u>	<u>10,439.00</u>
<b>TOTAL</b>		<u><u>18,182.48</u></u>	<u><u>19,681.90</u></u>

Notes Forming Part of the Financial Statements

1 to 23

As per our attached report of even date

**For Deloitte Haskins & Sells**  
Chartered Accountants

**Priyam B. Mehta**  
Chairman & Managing Director

**Varun P. Mehta**  
Executive Director

**Vishal P. Mehta**  
Executive Director

**Gaurav J. Shah**  
Partner

**CA Mahendra N. Shah**  
Director

**Vishwajit M. Mehta**  
Director

**Dr. Gaurang K. Dalal**  
Director

**CA Chirag M. Shah**  
Director

**Dr. Janak D. Desai**  
Director

**Sujata P. Mehta**  
Director

**CA Narayansingh J. Deora**  
Sr. Executive V. P. (Accounts)

**Rajesh H. Shah**  
Company Secretary

Place : Ahmedabad  
Date : May 30, 2014

Place : Ahmedabad  
Date : May 30, 2014



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Note No.	For the year 31.03.2014 ₹ in Lacs	For the year 31.03.2013 ₹ in Lacs	
<b>INCOME</b>				
1	Revenue from Operations (Gross)	17	53,104.33	50,763.05
	Less: Excise Duty & VAT		3,421.21	3,389.67
	Revenue from Operations (Net)		49,683.12	47,373.38
2	Other Income	18	41.91	29.97
3	<b>Total Revenue</b>		<b>49,725.03</b>	<b>47,403.35</b>
<b>4 EXPENDITURE</b>				
	(a) Cost of Materials Consumed	19.a	26,940.89	25,977.69
	(b) Purchases of Stock-In-Trade	19.b	2,786.63	5,854.25
	(c) Changes in Inventories of Finished Goods and Work-In-Progress	19.c	581.16	(314.67)
	(d) Employee Benefits Expense	20	3,255.04	2,570.86
	(e) Finance Costs	21	806.31	787.60
	(f) Depreciation	10	642.50	605.21
	(g) Other Expenses	22	13,554.44	11,273.44
	<b>Total Expenses</b>		<b>48,566.97</b>	<b>46,754.38</b>
5	<b>Profit Before Tax</b>		<b>1,158.06</b>	<b>648.97</b>
<b>6 Tax Expense:</b>				
	(a) Current Tax		375.50	130.00
	(b) MAT credit of current year recognised		—	(56.40)
			375.50	73.60
	(c) MAT credit of earlier years recognised		—	(275.60)
	(d) Deferred Tax		116.03	140.62
			491.53	(61.38)
7	<b>Profit After Tax</b>		<b>666.53</b>	<b>710.35</b>
<b>8 Earnings Per Share (of ₹ 100/- each)</b>				
	(a) Basic	23.xiii	843.71	899.18
	(b) Diluted		843.71	899.18
	Notes Forming Part of the Financial Statements	1 to 23		

As per our attached report of even date

For Deloitte Haskins & Sells  
Chartered AccountantsPriyam B. Mehta  
Chairman & Managing DirectorVarun P. Mehta  
Executive DirectorVishal P. Mehta  
Executive DirectorGaurav J. Shah  
PartnerCA Mahendra N. Shah  
DirectorVishwajit M. Mehta  
DirectorDr. Gaurang K. Dalal  
DirectorCA Chirag M. Shah  
DirectorDr. Janak D. Desai  
DirectorSujata P. Mehta  
DirectorCA Narayansingh J. Deora  
Sr. Executive V. P. (Accounts)Rajesh H. Shah  
Company SecretaryPlace : Ahmedabad  
Date : May 30, 2014Place : Ahmedabad  
Date : May 30, 2014



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2014

	Year ended 31 <sup>st</sup> March, 2014		Year ended 31 <sup>st</sup> March, 2013	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit before tax		1,158.06		648.97
<b>Adjustments for:</b>				
Depreciation	642.50		605.21	
Interest Expenses	806.31		787.60	
Dividend	(24.21)		(24.13)	
Provision for doubtful advances	300.00		—	
Provision for doubtful Trade Receivables	6.48		—	
(Profit)/Loss on sale of Fixed Assets	20.71		15.32	
Unrealised Exchange fluctuation (Gain)/Loss	34.48		(19.15)	
		<u>1,786.27</u>		<u>1,364.85</u>
Operating profit before working capital changes		<u>2,944.33</u>		<u>2,013.82</u>
<b>Adjustments for:</b>				
Trade and Other Receivables	(427.72)		(2,158.57)	
Inventories	2,314.99		(614.41)	
Trade Payables	(1,802.34)		1,515.61	
		<u>84.93</u>		<u>(1,257.37)</u>
Cash Generated From Operations		<u>3,029.26</u>		<u>756.45</u>
Taxes paid		(270.83)		(104.54)
<b>Net Cash From Operating Activities</b>		<u>2,758.43</u>		<u>651.91</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	(1,410.53)		(977.67)	
Sale of Fixed Assets	17.77		47.10	
Purchase of Investments	(3.59)		—	
Dividend Received	24.21		24.13	
Interest Received	3.11		3.55	
<b>Net Cash From Investing Activities</b>		<u>(1,369.03)</u>		<u>(902.89)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings	204.71		1,746.98	
Repayment of Loans	(600.94)		(625.43)	
Interest Paid	(809.42)		(791.15)	
Dividend & Tax thereon paid	(106.29)		(91.82)	
<b>Net Cash Generated in Financing Activities</b>		<u>(1,311.94)</u>		<u>238.58</u>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>		<u>77.46</u>		<u>(12.40)</u>
Add: Cash and Cash Equivalents at the beginning of the year		99.09		111.49
<b>Cash and Cash Equivalents at the end of the year</b>		<u>176.55</u>		<u>99.09</u>

### 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 ₹ 21.52 Lacs (Previous Year ₹ 8.95 Lacs) and unpaid dividend accounts with banks of ₹ 17.12 Lacs (Previous Year ₹ 15.33 Lacs), which is not available for immediate use.

As per our attached report of even date

<b>For Deloitte Haskins &amp; Sells</b> Chartered Accountants	<b>Priyam B. Mehta</b> Chairman & Managing Director	<b>Varun P. Mehta</b> Executive Director	<b>Vishal P. Mehta</b> Executive Director
<b>Gaurav J. Shah</b> Partner	<b>CA Mahendra N. Shah</b> Director	<b>Vishwajit M. Mehta</b> Director	<b>Dr. Gaurang K. Dalal</b> Director
	<b>CA Chirag M. Shah</b> Director	<b>Dr. Janak D. Desai</b> Director	<b>Sujata P. Mehta</b> Director
	<b>CA Narayansingh J. Deora</b> Sr. Executive V. P. (Accounts)	<b>Rajesh H. Shah</b> Company Secretary	
Place : Ahmedabad Date : May 30, 2014	Place : Ahmedabad Date : May 30, 2014		

## Notes Forming Part of the Financial Statements

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

#### i **Basis of Preparation of Financial Statements :**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006, (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### ii **Use of Estimates:**

The preparation of financial statements in conformity with the Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialise.

#### iii **Fixed Assets:**

Fixed Assets are stated at cost (Net of Taxes) 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".

#### iv **Operating Lease:**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

#### v **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.

#### vi **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.

#### vii **Investments:**

Investments that are intended to be held for not more than one year from the date of which such Investments are made are classified as Current Investments. All other Investments are classified as Long-term Investments. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Current Investments are carried at lower of cost and fair value determined on an individual investment basis.

#### viii **Inventories:**

Inventories are valued at lower of cost and net realisable value, except by-products which is valued at Net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a First in First out (FIFO) basis except for Stores, Spares, where monthly weighted average cost basis method is adopted. Cost includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and provided for.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make the sale.



## Notes Forming Part of the Financial Statements

### ix 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 statement of profit and loss.

#### 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 statement of profit and loss 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.

### x 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.

### xi Revenue Recognition :

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is net of trade discounts, rebates and returns. Excise Duty and VAT collected on sales are shown by way of further deduction from sales.

Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

### xii 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 statement of profit and loss 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.

### xiii 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.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

### xiv 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.

## Notes Forming Part of the Financial Statements

### Note 2 : SHARE CAPITAL

	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	₹ in Lacs	Number of Shares	₹ in Lacs
<b>(a) Authorised</b>				
Equity Shares of ₹ 100/- each with voting rights	200,000	200.00	200,000	200.00
<b>(b) Issued, Subscribed and fully paid up</b>				
Equity Shares of ₹ 100/- each with voting rights	79,000	79.00	79,000	79.00
<b>Total</b>		79.00		79.00

- (i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

	Opening Balance	Fresh Issue	Closing Balance
Equity Shares with voting rights			
<b>Year ended 31<sup>st</sup> March, 2014</b>			
- Number of Shares	79,000	—	79,000
- Amount (₹)	7,900,000	—	7,900,000
<b>Year ended 31<sup>st</sup> March, 2013</b>			
- Number of Shares	79,000	—	79,000
- Amount (₹)	7,900,000	—	7,900,000

- (ii) Details of Shareholders holding more than 5%

Class of Shares/Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	Number of Shares held	% holding in that class of Shares	Number of Shares held	% holding in that class of Shares
Equity Shares with Voting Rights				
Sujata Priyam Mehta	14,221	18.00	14,221	18.00
C.V. Mehta Private Limited	11,994	15.18	11,994	15.18
Priyam Commercial Enterprises Pvt. Ltd.	10,705	13.55	10,705	13.55
Priyam B. Mehta	9,115	11.54	9,115	11.54
Bini Commercial Enterprises Pvt. Ltd.	5,740	7.27	5,740	7.27

- (iii) The Company has issued only one class of shares referred to as Equity Shares having a par value of ₹ 100/-. All Equity Shares carry one vote per share without restrictions and are entitled to Dividend, as and when declared. All Equity shares rank equally with regard to the Company's residual assets.
- (iv) The amount of per share dividend recognised as distributions to Equity Shareholders during the year ended March 31, 2014 is ₹ 150/- (Previous Year ₹ 115/-), subject to approval by Shareholders in the ensuing Annual General Meeting.



## Notes Forming Part of the Financial Statements

### NOTE 3 : RESERVES AND SURPLUS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>(a) Capital Reserve</b>		
Opening Balance	2.79	2.79
<b>(b) Capital Redemption Reserve</b>		
Opening Balance	53.59	53.59
<b>(c) Securities Premium Account</b>		
Opening Balance	275.50	275.50
<b>(d) General Reserve</b>		
Opening Balance	2,315.15	2,115.15
Add: Transferred from Surplus in Statement of Profit & Loss	500.00	200.00
Closing Balance	2,815.15	2,315.15
<b>(e) Surplus in Statement of Profit &amp; Loss</b>		
Opening Balance	699.59	295.53
Add: Profit for the year	666.53	710.35
	1366.12	1,005.88
Less: Transferred to/Appropriations		
General Reserve	(500.00)	(200.00)
Proposed Dividend on Equity Shares to be distributed to the Shareholders (₹ 150/- per Share) (Previous year ₹ 115/- per Share)	(118.50)	(90.85)
Tax on Dividend	(20.14)	(15.44)
Closing Balance	727.48	699.59
<b>Total</b>	<b>3,874.51</b>	<b>3,346.62</b>

### NOTE 4 : LONG TERM BORROWINGS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>(a) Term Loans</b>		
From Banks & Financial Institution		
Secured	988.61	1,577.02
<b>(b) Fixed Deposits</b>		
Unsecured	858.32	696.14
<b>(c) Deposits from Related Parties (Refer Note 23. xii)</b>		
Unsecured	688.50	843.50
<b>Total</b>	<b>2,535.43</b>	<b>3,116.66</b>

- (i) Term loan from Punjab National Bank of ₹ 99.94 Lacs (Previous year ₹ 299.94 Lacs) is collaterally secured by hypothecation of plant and 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. This loan is repayable in 20 equal quarterly instalments.
- (ii) Term loans from HDFC Bank of ₹ 648.19 Lacs (Previous year ₹ 849.13 Lacs) are secured by way of equitable mortgage of the building at Mumbai. The said loan is repayable in 20 equal quarterly instalments.
- (iii) Term Loan of Kotak Mahindra Bank of ₹ 700.00 Lacs (Previous Year ₹ 900.00) is secured by way of Equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments.
- (iv) Vehicle loans from Banks & Financial Institution amounting to ₹ 129.10 Lacs (Previous year ₹ 222.52 Lacs) are secured by way of hypothecation of respective motor vehicles purchased. The said loans are repayable in 36 equal monthly instalments.

## Notes Forming Part of the Financial Statements

### NOTE 5 : LONG TERM PROVISIONS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>Provision for Employee Benefit (Refer Note 23.vii)</b>		
(a) Provision for Compensated Absences	106.41	92.51
(b) Provision for Gratuity (Net)	138.91	124.24
<b>Total</b>	<b>245.32</b>	<b>216.75</b>

### NOTE 6 : SHORT TERM BORROWINGS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Deposits from Related Parties (Refer Note 23.xii)</b>		
Unsecured	—	25.00
(b) <b>Fixed Deposits</b>		
Unsecured	326.75	274.95
(c) <b>Purchase Bill Discounting</b>		
Unsecured	548.36	—
(d) <b>Working Capital Loans</b>		
Secured	2,493.11	2,769.62
<b>Total</b>	<b>3,368.22</b>	<b>3,069.57</b>

Working Capital loans are 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.

### NOTE 7 : TRADE PAYABLES

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>Trade Payables (Refer Note 23.v)</b>		
(Other than acceptances)		
For Supply of Goods	4,069.30	6,378.53
Others	658.82	467.64
<b>Total</b>	<b>4,728.12</b>	<b>6,846.17</b>

### NOTE 8 : OTHER CURRENT LIABILITIES

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Current Maturities of Long Term Debt (Refer Note below)</b>	588.62	694.57
(b) <b>Unpaid Dividends</b>	17.12	15.33
(c) <b>Unpaid Matured Deposits</b>	7.22	8.62
(d) <b>Other Payables</b>		
(i) Statutory Remittance	54.35	45.36
(ii) Payable on Purchase of Fixed Assets	98.68	91.83
(iii) Trade/Security Deposit Received	22.52	20.58
(iv) Advances from Customers	505.28	390.52
(v) Others	87.70	55.38
<b>Total</b>	<b>1,381.49</b>	<b>1,322.19</b>

Current Maturities of Long Term Debt (Refer Note (i) to (iv) in Note 4 - Long Term Borrowings) for details of Security.



## Notes Forming Part of the Financial Statements

### NOTE 9 : SHORT TERM PROVISIONS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>(a) Provision for Employee Benefits</b>		
(i) Provision for Bonus	156.00	71.50
(ii) Provision for Compensated Absences (Refer Note 23.vii)	43.34	30.99
(iii) Provision for Gratuity (Net) - (Refer Note 23.vii)	111.65	103.73
	<b>310.99</b>	<b>206.22</b>
<b>(b) Provision - Others</b>		
(i) Provision of Income Tax [Net of Advance Income Tax ₹ 880.92 Lacs]	16.58	—
(ii) Provision - Expenses	395.89	380.17
(iii) Provision for Proposed Equity Dividend	118.50	90.85
(iv) Provision for Tax on Proposed Dividend	20.14	15.44
	<b>551.11</b>	<b>486.46</b>
<b>Total</b>	<b>862.10</b>	<b>692.68</b>

### NOTE 10 : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01.04.2013	Additions during the year	Disposals during the year	Balance as at 31.03.2014	Balance as at 01.04.2013	Depreciation for the year	Eliminated on disposal of assets	Balance as at 31.03.2014	Balance as at 31.03.2014	Balance as at 31.03.2013
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
<b>A Tangible Assets</b>										
<b>(a) Land</b>										
Freehold	0.80	—	—	0.80	—	—	—	—	0.80	0.80
<b>(b) Buildings</b>										
Owned	1,669.72	71.20	—	1,740.92	425.00	53.65	—	478.65	1,262.27	1,244.72
<b>(c) Plant &amp; Machinery</b>										
Owned	12,137.89	1,214.57	—	13,352.46	5,562.38	528.12	—	6,090.50	7,261.96	6,575.51
<b>(d) Furniture &amp; Fixtures</b>										
Owned	146.24	9.67	—	155.91	95.95	6.90	—	102.85	53.06	50.29
<b>(e) Office Equipments</b>										
Owned	129.41	29.04	—	158.45	68.42	8.28	—	76.70	81.75	60.99
<b>(f) Vehicles</b>										
Owned	484.10	61.10	68.17	477.03	89.59	45.55	29.69	105.45	371.58	394.51
<b>(g) Others</b>										
Agricultural Equipments	0.35	—	—	0.35	0.34	—	—	0.34	0.01	0.01
<b>Total</b>	<b>14,568.51</b>	<b>1,385.58</b>	<b>68.17</b>	<b>15,885.92</b>	<b>6,241.68</b>	<b>642.50</b>	<b>29.69</b>	<b>6,854.49</b>	<b>9,031.43</b>	<b>8,326.83</b>
<b>Previous year</b>	<b>13,876.84</b>	<b>788.55</b>	<b>96.88</b>	<b>14,568.51</b>	<b>5,670.93</b>	<b>605.21</b>	<b>34.46</b>	<b>6,241.68</b>	<b>8,326.83</b>	

Buildings include :

- ₹ 313.42 Lacs (Previous Year ₹ 313.42 Lacs) being the cost of ownership premises in a co-operative housing society including cost of fifteen shares of the face value of ₹ 750/- received under the Bye-laws of the Society in the name of the Company.
- ₹ 4.50 Lacs (Previous Year ₹ 4.50 Lacs) being the cost of ownership premises in a cloth market association including cost of one share of the face value of ₹ 100/- received under rules and regulation of the association in the name of the Company.

<b>B. Depreciation relating to continuing operations</b>	<b>For the year ended 31.03.2014 ₹ in Lacs</b>	<b>For the year ended 31.03.2013 ₹ in Lacs</b>
Depreciation for the year on Tangible Assets	642.50	605.21
<b>Total Depreciation and Amortisation</b>	<b>642.50</b>	<b>605.21</b>



## Notes Forming Part of the Financial Statements

Note : Details of Assets acquired under Hire Purchase Agreements :				
	Gross Block		Net Block	
	31.03.2014 ₹ in Lacs	31.03.2013 ₹ in Lacs	31.03.2014 ₹ in Lacs	31.03.2013 ₹ in Lacs
Vehicles	331.88	370.75	275.96	344.68

## NOTE 11 : NON CURRENT INVESTMENTS

	As at 31.03.2014			As at 31.03.2013		
	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Total ₹ in Lacs	Quoted ₹ in Lacs	Unquoted ₹ in Lacs	Total ₹ in Lacs
<b>Other Investments</b>						
<b>(a) Investment in Equity Instruments</b>						
(i) <u>Of Joint Venture Company</u> 12,00,000 Equity Shares of Sayaji Sethness Limited of ₹ 10/- each (Previous Year: 12,00,000 Nos.)	—	120.00	120.00	—	120.00	120.00
(ii) <u>Of other entities</u> 2,500 Equity Shares of ₹ 10/- each of Rapicut Carbide Limited (P.Y - 1,000 Nos.)	0.05	—	0.05	0.05	—	0.05
472 Equity Shares of Punjab National Bank of ₹ 10/- each (P.Y - 472 Nos)	1.84	—	1.84	1.84	—	1.84
4,500 Equity Shares of Cama Hotels Ltd. of ₹ 10/- each (P.Y - 4,500 Nos)	—	0.58	0.58	—	0.58	0.58
2,500 Equity Shares of Sterling (Guj) Hospitals Ltd. of ₹ 10/- each(P.Y - 2,500 Nos)	—	0.25	0.25	—	0.25	0.25
2,51,100 Equity Shares of Ahmedabad Commodity Exchange of ₹ 10/- each (Previous Year : 2,15,200 Nos.)	—	25.64	25.64	—	22.05	22.05
	1.89	146.47	148.36	1.89	142.88	144.77
<b>(b) Investment in Mutual Funds</b> 23,300 Units of "Principal Emerging Bluechip Fund-Growth Plan" of ₹ 10/- each (P.Y - 23,300 Units)	6.52	—	6.52	6.52	—	6.52
<b>(c) Other Non Current Investments</b> National Saving Certificates	—	0.10	0.10	—	0.10	0.10
<b>Total</b>	8.41	146.57	154.98	8.41	142.98	151.39
Less: Provision for Diminution in value of Investments			—			—
<b>Total</b>			154.98			151.39
Aggregate amount of Quoted Investments			8.41			8.41
Aggregate Market Value of Listed and Quoted Investments			13.52			11.44
Aggregate Amount of Unquoted Investments (At Cost)			146.57			142.98



## Notes Forming Part of the Financial Statements

### NOTE 12 : LONG TERM LOANS AND ADVANCES

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Capital Advances</b> Unsecured, Considered Good	212.65	77.34
(b) <b>Security Deposits</b> Unsecured, Considered Good	5.82	5.82
(c) <b>MAT Credit Entitlement</b> Unsecured, Considered Good	137.01	267.00
(d) <b>Advance Income Tax</b> (Net of Provisions for Income Tax of Previous Year ₹ 517.50 Lacs)	—	88.09
<b>Total</b>	<b>355.48</b>	<b>438.25</b>

### NOTE 13 : INVENTORIES

(At Lower of Cost or Net Realisable Value)

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Raw Materials</b>	706.58	2,334.95
(b) <b>Work-in-Progress</b>	404.36	928.62
(c) <b>Finished Goods (Includes stock of Traded Goods ₹ Nil)</b> (Previous Year ₹ 18.33 lacs)	829.87	996.65
(d) <b>By Products</b>	165.67	55.79
(e) <b>Stores, Spare Parts, Packing Material and Fuel</b>	265.22	370.68
<b>Total</b>	<b>2,371.70</b>	<b>4,686.69</b>

### NOTE 14 : TRADE RECEIVABLES

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
<b>Trade Receivables outstanding for a period exceeding Six months from the date they were due for payment</b> Unsecured, Considered Good Doubtful	 81.82 28.18	 87.92 21.71
	<b>110.00</b>	<b>109.63</b>
Less: Provision for Doubtful Trade Receivables	28.18	21.71
	<b>81.82</b>	<b>87.92</b>
<b>Other Trade Receivables</b> Unsecured, Considered Good	 3,805.85	 3,887.56
<b>Total</b>	<b>3,887.67</b>	<b>3,975.48</b>
Trade Receivables includes debts due from :		
	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
Company in which any Director is a Director <b>Sayaji Sethness Limited</b>	—	127.84
<b>N. B. Commercial Enterprises Private Limited</b>	<b>2.58</b>	—

## Notes Forming Part of the Financial Statements

### NOTE 15 : CASH & CASH EQUIVALENTS

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Cash on Hand</b>	17.79	21.94
(b) <b>Balance with Banks</b>		
(i) In Current Accounts	70.33	2.84
(ii) In Deposit Accounts (Refer Note below)	49.79	50.03
(iii) In Earmarked Accounts		
- Unpaid Dividend Accounts	17.12	15.33
- Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments (Refer Note below)	21.52	8.95
<b>Total</b>	<b>176.55</b>	<b>99.09</b>
Of the above, the balances that meet the definition of Cash and Cash Equivalents as per AS 3 <i>Cash Flow Statements</i> is	<b>137.91</b>	<b>74.81</b>
Balances with banks include margin monies amounting to ₹ 21.52 Lacs (As at 31.03.2013 ₹ 8.95 Lacs) which have an Original maturity of more than 12 months.		

### NOTE 16 : SHORT TERM LOANS AND ADVANCES

	As at 31.03.2014 ₹ in Lacs	As at 31.03.2013 ₹ in Lacs
(a) <b>Loans and Advances to Related Parties (Refer Note 23.xii)</b>		
Unsecured, Considered Good	2.93	30.38
(b) <b>Security Deposits</b>		
Unsecured, Considered Good	3.72	3.97
(c) <b>Loans and Advances to Employees</b>		
Unsecured, Considered Good	5.48	6.83
(d) <b>Prepaid Expenses</b>		
Unsecured, Considered Good	15.08	9.51
(e) <b>MAT Credit Entitlement</b>		
Unsecured, Considered Good	133.21	65.00
(f) <b>Balances with Government Authorities</b>		
(i) CENVAT Credit	145.63	172.25
(ii) PLA Balance	2.93	2.23
	<b>148.56</b>	<b>174.48</b>
(g) <b>Others</b>		
Unsecured, Considered Good	1,544.31	1,387.57
Considered Doubtful	300.00	—
Less: Provisions	300.00	—
	—	—
<b>Total</b>	<b>1,853.29</b>	<b>1,677.74</b>



## Notes Forming Part of the Financial Statements

### NOTE 17 : REVENUE FROM OPERATIONS

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
(a) Sale of Products (Refer Note (i) below)	52,816.60	50,490.52
(b) Less : Excise Duty & VAT	3,421.21	3,389.67
	49,395.39	47,100.85
(c) Other Operating Revenues (Refer Note (ii) below)	287.73	272.53
<b>Total</b>	<b>49,683.12</b>	<b>47,373.38</b>
<b>Note :</b>		
(i) <b>Sale of Products comprises:</b>		
<b>Manufactured Goods:</b>		
Starches	13,174.46	11,536.45
Processed Foods	22,849.18	19,418.65
Drugs & Pharmaceuticals	3,043.46	2,581.10
By Products and Others	7,597.05	7,739.99
<b>Total Sale of Manufactured Goods</b>	<b>46,664.15</b>	<b>41,276.19</b>
<b>Traded Goods</b>		
Starches	1,920.77	3,203.40
Processed Foods	151.40	1,345.80
By Products and Others	659.07	1,275.46
<b>Total Sale of Traded Goods</b>	<b>2,731.24</b>	<b>5,824.66</b>
<b>Total Sale of Products</b>	<b>49,395.39</b>	<b>47,100.85</b>
(ii) <b>Other Operating Revenue comprise:</b>		
Export Incentives	234.94	237.02
Net Gain on Foreign Currency Transactions and Translation	38.61	19.15
VAT Refund	7.27	11.00
Insurance Claim	5.81	4.86
Others	1.10	0.50
<b>Total Other Operating Revenues</b>	<b>287.73</b>	<b>272.53</b>

### NOTE 18 : OTHER INCOME

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
(a) <b>Dividend Income:</b>		
From Long Term Investments		
Joint Venture Company	24.00	24.00
Others	0.21	0.13
(b) <b>Other Non Operating Income (Refer Note below)</b>	<b>17.70</b>	<b>5.84</b>
<b>Total</b>	<b>41.91</b>	<b>29.97</b>
<b>Note:</b>		
Other Non Operating Income comprises:		
- Rental Income from Operating Leases	16.13	2.35
- Miscellaneous Income	1.57	3.49
<b>Total - Other Non Operating Income</b>	<b>17.70</b>	<b>5.84</b>

## Notes Forming Part of the Financial Statements

## NOTE 19.a : COST OF MATERIALS CONSUMED

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Opening Stock	2,334.95	2,108.77
Add: Purchases	25,312.52	26,203.87
Less: Closing Stock	706.58	2,334.95
<b>Total</b>	<b>26,940.89</b>	<b>25,977.69</b>
<b>Material consumed comprises:</b>		
Maize	25,438.91	24,968.97
Maize Starch	1,358.90	904.44
Others	143.08	104.28
<b>Total</b>	<b>26,940.89</b>	<b>25,977.69</b>

## NOTE 19.b : PURCHASE OF TRADED GOODS

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Starches	1,965.51	3,181.11
Process Foods	188.25	1,319.71
By Products & Others	632.87	1,353.43
<b>Total</b>	<b>2,786.63</b>	<b>5,854.25</b>

NOTE 19.c : CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND STOCK-IN-TRADE

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
<b><u>Inventories at the End of the Year</u></b>		
Finished Goods (including Stock in Trade of ₹ Nil) (Previous year ₹ 18.33 Lacs)	995.54	1,052.45
Work-In-Progress	404.36	928.61
	<b>1,399.90</b>	<b>1,981.06</b>
<b><u>Inventories at the beginning of the Year</u></b>		
Finished Goods	1,052.45	706.89
Work-In-Progress	928.61	959.50
	<b>1,981.06</b>	<b>1,666.39</b>
<b>Total</b>	<b>581.16</b>	<b>(314.67)</b>

## NOTE 20 : EMPLOYEE BENEFITS EXPENSE

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Salaries and Wages	2,724.68	2,195.69
Contribution to Provident and other Funds (Refer Note 23.vii)	276.70	179.19
Staff Welfare Expenses	253.66	195.98
<b>Total</b>	<b>3,255.04</b>	<b>2,570.86</b>



## Notes Forming Part of the Financial Statements

### NOTE 21 : FINANCE COSTS

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Interest Expense on Borrowings	797.68	780.60
Loan Security & Processing Fees	8.63	7.00
<b>Total</b>	<b>806.31</b>	<b>787.60</b>

### NOTE 22 : OTHER EXPENSES

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Consumption of Packing Materials	2,073.18	1,683.25
Consumption of Stores and Spare Parts	1,860.21	1,744.34
Power and Fuel	3,701.60	3,580.61
Rent including Lease Rentals	102.32	33.14
Repairs and Maintenance - Buildings	181.59	80.70
Repairs and Maintenance - Machinery	1,066.57	693.48
Repairs and Maintenance - Others	147.82	127.90
Insurance	22.37	24.81
Rates and Taxes (Refer Note 23.iv)	313.29	233.18
Sales Expenses	2,561.65	2,084.55
Technical Know-How & Service Fees	74.60	29.45
Donations and Contributions	14.60	4.06
Payment to Auditors (Refer Note below)	12.19	7.87
Loss on Sale of Fixed Assets	20.71	15.32
Trade Receivables Written Off	—	36.74
Provision for Doubtful Advances	300.00	—
Provision for Doubtful Trade Receivables	6.48	—
Directors Sitting Fees	4.55	4.00
Managerial Remuneration	136.28	78.85
General Charges	954.43	811.19
<b>Total</b>	<b>13,554.44</b>	<b>11,273.44</b>

#### Note

	For the year 2013-14 ₹ in Lacs	For the year 2012-13 ₹ in Lacs
Payment to the Auditors comprises :		
- As Auditors - Statutory Audit	6.00	4.00
- For Tax Audit	0.60	0.60
- For Certification	0.60	0.60
- For Tax Matters	4.90	2.60
- Reimbursement of Expenses	0.09	0.07
	<b>12.19</b>	<b>7.87</b>

Payment made to firms in which some of the partners of audit firm are Partners is ₹ 4.90 Lacs (Previous year ₹ 2.60 Lacs)

## Notes Forming Part of the Financial Statements

### NOTE NO.23

- i. Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current year classification/disclosure.

	As at 31.03.2014	As at 31.03.2013
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
<b>ii. Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	332.71	56.41
<b>iii. Contingent liabilities not provided for :</b>		
(a) Bills discounted but not matured	373.67	423.37
(b) Guarantees given by the Bankers on behalf of the Company.	200.62	81.62
(c) Disputed demand of Income tax as the Company expects to succeed in the appeal.	9.10	6.23
<b>iv.</b> 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 Note No. 22 of Other Expenses".		
<b>v.</b> There are no dues to Micro, Small and Medium Enterprises as at 31 <sup>st</sup> March, 2014. This information as required to disclose 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.		
<b>vi. Deferred Tax:</b>	As at 31.03.2014	As at 31.03.2013
	<u>₹ in Lacs</u>	<u>₹ in Lacs</u>
Deferred Tax Liability:		
Depreciation	(1,355.90)	(1,113.33)
Deferred Tax Assets:		
Provision for Employee benefits	136.06	114.03
Provision for Doubtful Trade Receivables/Advances	111.55	7.04
Deferred tax asset /(liability) (Net)	(1,108.29)	(992.26)
<b>vii. Employee Benefits:</b>		
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:		
<b>a. Defined Benefit Plans:</b>		
(i) Actuarial gains and losses in respect of defined benefit plans are recognised in the statement of Profit & Loss.		
(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.		



## Notes Forming Part of the Financial Statements

b. Particulars	Gratuity		₹ in Lacs Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
<b>i. Expenses recognized in the statement of Profit &amp; Loss for the year ended March 31, 2014</b>				
Current Service cost	36.06	31.05	23.68	17.43
Interest Cost	71.77	73.73	9.88	9.03
Expected return on plan assets	(57.55)	(49.81)	—	—
Net actuarial losses (gains)	79.00	(5.70)	33.50	47.27
<b>Total Expenses</b>	<b>129.28</b>	<b>49.27</b>	<b>67.06</b>	<b>73.73</b>
<b>ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation</b>				
Opening defined benefit obligation as on April 1, 2013	897.13	867.45	123.50	106.21
Service cost	36.06	31.05	23.68	17.43
Interest cost	71.77	73.73	9.88	9.03
Actuarial losses (gains)	79.66	(2.26)	33.50	47.27
Benefits paid	(73.22)	(72.84)	(40.81)	(56.44)
<b>Closing defined benefit obligation as at March 31, 2014</b>	<b>1,011.40</b>	<b>897.13</b>	<b>149.75</b>	<b>123.50</b>
<b>iii. Reconciliation of Opening and Closing balances of changes in fair value of the assets</b>				
Opening fair value of plan assets as at April 1, 2013	669.16	586.05	—	—
Expected return on plan assets	57.55	49.81	—	—
Actuarial gains and (losses)	0.66	3.44	—	—
Assets distributed on settlements	—	—	—	—
Contributions by employer	106.69	102.70	—	—
Benefits paid	(73.22)	(72.84)	—	—
<b>Closing balance of fair value of plan assets as at 31.03.2014</b>	<b>760.84</b>	<b>669.16</b>	<b>—</b>	<b>—</b>
<b>iv. Net Liability recognized in the Balance Sheet as at March 31, 2014</b>				
Defined Benefit Obligation as at March 31, 2014	1,011.40	897.13	149.75	123.50
Fair Value of plan assets as at March 31, 2014	760.84	669.16	—	—
Present Value of unfunded obligation recognized as liability as at March 31, 2014	250.56	227.97	149.75	123.50
<b>v. Actual Return on Plan Assets</b>				
<b>vi. Actuarial Assumptions</b>			As at 31 <sup>st</sup> March, 2014	
Discount Rate			9.25%	
Expected rate of return on plan assets			8.70%	
Expected rate of salary increase			5.00%	
Mortality			Indian Assured Lives Mortality (2006-08) ultimate	
Withdrawal Rates			2.00%	
Retirement Age			60 years	
Actuarial Valuation Method			Projected unit credit method	
(a) 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.				



## Notes Forming Part of the Financial Statements

(b) 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.

(c) 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 Corporation Of India, who has invested the funds substantially in Government Securities.

viii. **Experience History:**

	Gratuity					Leave Encashment				
	31.03.2014 (₹ in Lacs)	31.03.2013 (₹ in Lacs)	31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)	31.03.2010 (₹ in Lacs)	31.03.2014 (₹ in Lacs)	31.03.2013 (₹ in Lacs)	31.03.2012 (₹ in Lacs)	31.03.2011 (₹ in Lacs)	31.03.2010 (₹ in Lacs)
Present value of defined benefit obligations at the end of the year	1011.40	897.13	867.45	808.23	726.40	149.75	123.51	106.21	104.17	89.04
Fair value of plan assets at the end of the year	760.84	669.16	586.05	522.85	495.30	—	—	—	—	—
Net assets / (liability) at the end of the year	(250.56)	(227.97)	(281.40)	(285.38)	(231.10)	(149.75)	(123.51)	(106.21)	(104.17)	(89.04)

(c) **Defined Contribution Plans.**

₹ 147.56 Lacs recognized as an expense and included in the Note 20 of Employee Benefit Expense under the head "Contribution to Provident and other funds" (Previous year ₹ 129.90 Lacs).

viii. 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:**

	2013-14 ₹ in Lacs	2012-13 ₹ in Lacs
1. Sales		
(a) India	33,990.93	36,048.10
(b) Outside India	15,692.19	11,325.28
Total :	49,683.12	47,373.38
2. Other Income		
(a) India	17.70	5.84
(b) Outside India	—	—
Total :	17.70	5.84

**Segment Assets**

1. Carrying amount		
(a) India	15,877.30	14,559.89
(b) Outside India	8.62	8.62
Total :	15,885.92	14,568.51
2. Additions		
(a) India	1,385.58	788.55
(b) Outside India	—	—
Total :	1,385.58	788.55



## Notes Forming Part of the Financial Statements

- ix. The Company has entered into a agreement for taking on lease machinery for a period of 60 months on cancellable basis.

The specified disclosure in respect of this agreement is given below:

Particulars	2013-14		2012-13	
	₹ in Lacs		₹ in Lacs	
A. Lease payment recognised in the statement of profit and loss for the year	87.52		—	
B. Future minimum Lease Payments				
(i) Not Later than one year	119.70		—	
(ii) Later than one year, but not later than five years	391.28		—	
(iii) Later than five years	—		—	
<b>x. Details of Imported Materials:</b>				
(a) CIF value of Imports				
i) Stores, Spare parts & Chemicals	103.70		270.36	
ii) Machineries	38.71		-	
(b) Consumption:				
	Raw Materials		Stores, Spares, Chemicals	
	₹ in Lacs	%	₹ in Lacs	%
1. Imported	—	—	155.52	3.95
	(—)	(—)	(374.19)	(10.92)
2. Indigenous	26,940.89	100.00	3,777.87	96.05
	(25,977.69)	(100.00)	(3,053.41)	(89.08)
<b>Total :</b>	<b>26,940.89</b>	<b>100.00</b>	<b>3,933.39</b>	<b>100.00</b>
	(25,977.69)	(100.00)	(3,427.60)	(100.00)
<b>xi. Particulars regarding Foreign Exchange:</b>				
a) Expenditure on accrual basis in foreign currency:	₹ in Lacs			
1) Travelling	25.67			
	(27.98)			
2) Subscription for periodicals	1.12			
	(1.50)			
3) Technical Know-how & Service Fees	74.60			
	(29.45)			
4) Commission	97.49			
	(74.73)			
5) Overseas Office Expenses	47.46			
	(43.28)			
b) Earnings in foreign currency :				
FOB Value of Exports	14,642.97			
	(10,569.43)			

(Figures in brackets are of Previous Year)

## Notes Forming Part of the Financial Statements

### xii. Disclosures pertaining to related parties pursuant to Accounting Standard 18 :

#### (A) List of Related Parties and Relationships:

<u>Joint Venture Company:</u>	Sayaji Sethness Limited
<u>Entities under Common Control:</u>	C. V. Mehta (Pvt.) Ltd. Bini Commercial Enterprises (Pvt.) Ltd. Priyam Commercial Enterprises (Pvt.) Ltd. N.B. Commercial Enterprises (Pvt.) Ltd. Viva Tex Chem (Pvt.) Ltd. Varun Travels (Pvt.) Ltd.
<u>Key Managerial Personnel:</u>	Shri Priyam B. Mehta Shri Varun P. Mehta Shri Vishal P. Mehta
<u>Relatives of Key Managerial Personnel:</u>	Smt. Sujata P. Mehta

#### (b) Related Party Transactions and Balances:

Transactions					₹ in Lacs
	Joint Venture Company	Entities under Common Control	Key Managerial Personnel	Relatives of Key Managerial personnel	Total
Sale of Goods	<b>10.20</b> (963.09)	<b>12.20</b> (—)	— (—)	— (—)	<b>22.40</b> (963.09)
Purchase of Goods	<b>9.34</b> (70.44)	<b>13.65</b> (880.76)	— (—)	— (—)	<b>22.99</b> (951.20)
Inter Corporate Deposits received	— (—)	<b>7.00</b> (27.00)	— (—)	— (—)	<b>7.00</b> (27.00)
Inter Corporate Deposits paid	— (—)	<b>187.00</b> (127.00)	— (—)	— (—)	<b>187.00</b> (127.00)
Interest paid on Deposits	<b>58.50</b> (58.50)	<b>11.73</b> (25.71)	— (—)	<b>9.55</b> (9.09)	<b>79.78</b> (93.30)
Remuneration	— (—)	— (—)	<b>136.28</b> (78.85)	— (—)	<b>136.28</b> (78.85)
Sitting Fees	— (—)	— (—)	— (—)	<b>0.30</b> (—)	<b>0.30</b> (—)
Reimbursement of expenses	<b>37.40</b> (33.76)	— (—)	— (—)	— (—)	<b>37.40</b> (33.76)
Services Received	— (—)	<b>72.21</b> (73.34)	— (—)	— (—)	<b>72.21</b> (73.34)
Rent Received	— (—)	<b>19.27</b> (2.84)	— (—)	— (—)	<b>19.27</b> (2.84)
Debit Balances o/s. as on 31.03.2014	— (158.23)	<b>5.52</b> (—)	— (—)	— (—)	<b>5.52</b> (158.23)
Credit Balances o/s. as on 31.03.2014	<b>650.00</b> (658.15)	<b>41.10</b> (327.46)	— (—)	<b>83.07</b> (83.07)	<b>774.17</b> (1068.68)

(Figures in brackets are of Previous Year)



## Notes Forming Part of the Financial Statements

xiii. Earnings per Share:	2013-14	2012-13
a) Weighted average number of equity shares of ₹ 100/- each.		
Number of Shares at the beginning of the year	79,000	79,000
Number of Shares at the end of the year	79,000	79,000
Weighted average number of equity shares outstanding during the year	79,000	79,000
b) Net Profit after tax available for Equity Shareholders (₹ In Lacs)	666.53	710.35
c) Basic and diluted Earnings Per Share (₹)	843.71	899.18

### xiv. 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, 2014 is as follows:

Hedged Exposures	Number of Contracts	Foreign Currency Amount	Reporting Currency Amount
Forward cover for export receivables	7	\$ 560,980.00	₹ 33,393,726.00
	(6)	(\$ 713,892.00)	(₹ 40,312,098.00)
Forward cover for import payables	—	—	—
	(—)	(—)	(—)
<b>Unhedged Exposures</b>			
Accounts Receivable		\$ 2,154,886.00	₹ 133,086,427.00
		(\$ 1,741,477.00)	(₹ 94,664,406.00)
		€ 159,760.00	₹ 13,303,974.00
		(€ 158,665.00)	(₹ 11,022,458.00)

(Figures in brackets are of Previous Year)

### SIGNATURE TO NOTE 1 TO 23

As per our attached report of even date

<b>For Deloitte Haskins &amp; Sells</b> Chartered Accountants  <b>Gaurav J. Shah</b> Partner	<b>Priyam B. Mehta</b> Chairman & Managing Director  <b>CA Mahendra N. Shah</b> Director  <b>CA Chirag M. Shah</b> Director  <b>CA Narayansingh J. Deora</b> Sr. Executive V. P. (Accounts)	<b>Varun P. Mehta</b> Executive Director  <b>Vishwajit M. Mehta</b> Director  <b>Dr. Janak D. Desai</b> Director  <b>Rajesh H. Shah</b> Company Secretary	<b>Vishal P. Mehta</b> Executive Director  <b>Dr. Gaurang K. Dalal</b> Director  <b>Sujata P. Mehta</b> Director
Place : Ahmedabad Date : May 30, 2014	Place : Ahmedabad Date : May 30, 2014		

**SAYAJI INDUSTRIES LIMITED**  
CIN- L99999GJ1941PLC000471

**ATTENDANCE SLIP**

Registered office: P.O. Kathwada-Maize products, Ahmedabad-382430

Joint shareholders may obtain additional slip at the venue of the meeting.

Dp Id.*		Folio no.	
Client Id*		No. of shares	

Name and address of the shareholder

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I hereby record my presence at the 73<sup>rd</sup> annual general meeting of the company held on Saturday, 26<sup>th</sup> July, 2014 at 9.00 a.m. at Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada - Maize Products, Ahmedabad-382430

\*Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of shareholder/ Proxy

----- Tear Here ----- 

<b>SAYAJI INDUSTRIES LIMITED</b> <b>CIN- L99999GJ1941PLC000471</b> <b>Regd. office: P.O. Kathwada-Maize products,</b> <b>Ahmedabad-382430.</b>		<b>Proxy Form[Pursuant to section 105(6) of the companies act, 2013 and rule 19(3) of the companies (management and administration) rules, 2014]</b>
Name of the shareholder(s) Registered Address	Email-Id : Folio No/*Client Id: *DP No:	
I/we, being the shareholder(s) holding _____ shares of Sayaji Industries Limited, hereby appoint 1) _____ of _____ having e-mail id _____ or failing him 2) _____ of _____ having e-mail id _____ or failing him 3) _____ of _____ having e-mail id _____ and whose signature(s) are appended below as my /our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the <b>73<sup>rd</sup> Annual general meeting</b> of the company, to be held on 26 <sup>th</sup> July, 2014 at 9:00 a.m at Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada - Maize Products, Ahmedabad-382430, and at any adjournment thereof in respect of such resolutions as are indicated below:** I wish my above proxy to vote in the manner as indicated in the box below:		

Resolution	For	Against
1. Consider and adopt the audited financial statement, reports of the board of directors and auditors		
2. Declaration of dividend on equity shares		
3. Reappointment of Shri Varun P. Mehta who retires by rotation		
4. Appointment of auditors and fixing their remuneration		
5. Ratification of Appointment of cost auditors and their remuneration		
6. Appointment of Mrs. Sujata P. Mehta as director whose period of office shall be liable to retirement of directors by rotation		
7. Appointment of CA Chirag M. Shah as an independent director		
8. Appointment of CA Mahendra N. Shah as an independent director		
9. Appointment of Mr. Vishvajit M. Mehta as an independent director		
10. Appointment of Dr. Gaurang K. Dalal as an independent director		
11. Appointment of Dr. Janak D. Desai as an independent director		

Resolution	For	Against
12. Granting consent to invite and accept the deposits from general public and shareholders		
13. Increase in remuneration of Mr. Varun P. Mehta for remaining tenure of his appointment as the executive director		
14. Increase remuneration of Mr. Vishal P. Mehta for remaining tenure of his appointment as the executive director		
15. Granting consent to board of director to borrow moneys in excess of aggregate of paid-up share capital and free reserve.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014

Signature of the share holder \_\_\_\_\_

Signature of the first proxy holder(s) \_\_\_\_\_

Signature of the second proxy holder(s) \_\_\_\_\_

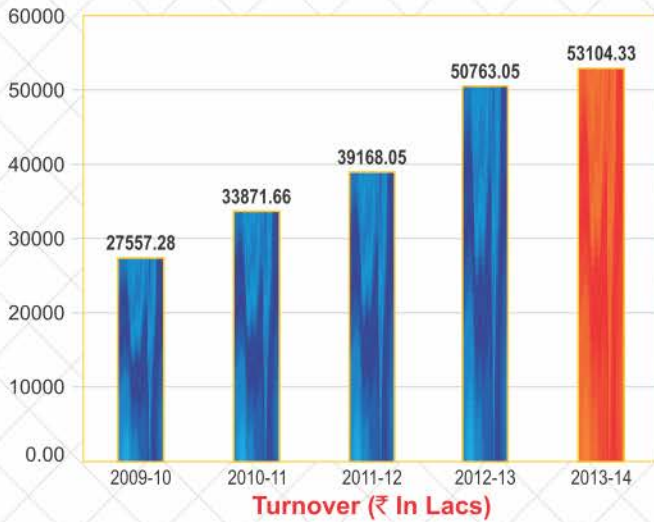
Signature of the third proxy holder(s) \_\_\_\_\_

Affix Revenue stamp
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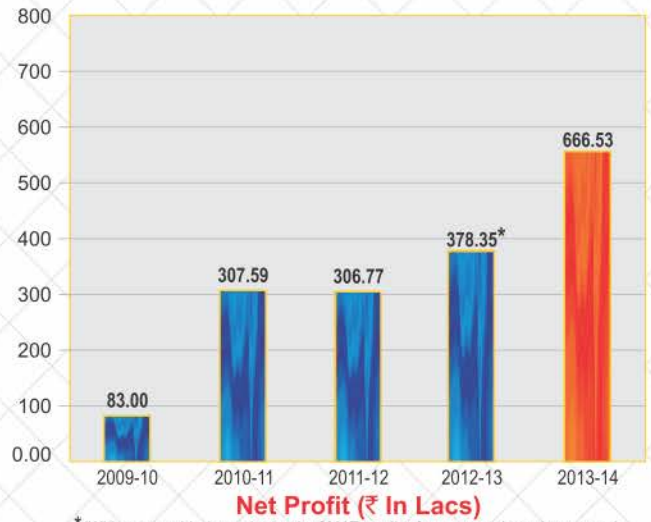
**Note :**

1. **This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company, not less than 48 hours before the commencement of the meeting.**
2. A proxy need not be a member.
3. A proxy can act as a proxy on behalf of shareholders not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A shareholder holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholders.
- \*\*4. This is only optional. Please put 'X' in the appropriate column against the resolution indicated in the box. If you leave the "for" or "against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she thinks appropriate.
5. Appointing a proxy does not prevent a shareholder from attending the meeting in person if he so wishes.
6. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

# GROWTH AT A GLANCE

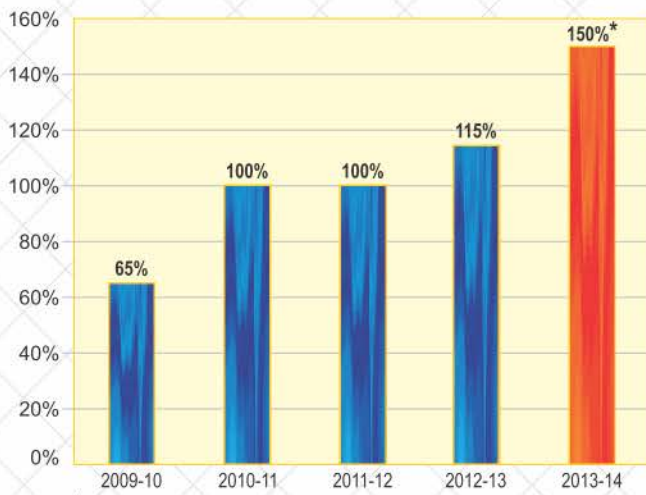


**Turnover (₹ In Lacs)**



**Net Profit (₹ In Lacs)**

\* (Without considering write back of MAT credit of current and previous years)



**Dividend (in %)**

\* (Recommend)



**Export Turnover (₹ In Lacs)**



# 1941

Hindustan Colour, Chemical &  
Manufacturing Company Ltd.

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# 2014

Sayaji Industries Limited

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**SAYAJI INDUSTRIES LIMITED**

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**REGISTERED OFFICE:**

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