SAYAJI
INDUSTRIES LIMITED

77th ANNUAL REPORT 2017-2018

CONTENTS

77th ANNUAL GENERAL MEETING OF SAYAJI INDUSTRIES LIMITED

Date	:	Friday, 10th August, 2018
Time	:	9.00 a.m.
Venue	:	Banquet Hall, The Grand Vinayak Hotel, S.P. Ring Road Odhav Circle, Odhav, Ahmedabad - 382 410

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Priyam B. Mehta
Chairman & Managing Director

Mr. Varun P. Mehta
Executive Director

Mr. Vishal P. Mehta
Executive Director

Mrs. Sujata P. Mehta
Non Executive Director

CA Mahendra N. Shah
Non Executive Independent Director

Dr. Gaurang K. Dalal
Non Executive Independent Director

Dr. Janak D. Desai
Non Executive Independent Director

CA Chirag M. Shah
Non Executive Independent Director

AUDIT COMMITTEE

CA Chirag M. Shah – Chairman
CA Mahendra N. Shah
Mr. Priyam B. 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
Mrs. Sujata P. Mehta

KEY MANAGEMENT PERSONNEL

Mr. N. J. Deora	Chief Financial Officer
Mr. Rajesh H. Shah	Company Secretary

AUDITORS

Shah & Shah Associates,
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
E-mail : maize@sayajigroup.in
Web site : www.sayajigroup.in

REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited.
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500032
Phone: 040-44655000/040-44655188
e-mail : einward.ris@karvy.com

FACTORY

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

CORPORATE STRUCTURE

MAIZE PRODUCTS

Manufacturer of Starch & its derivatives

SAYAJI SETHNESS LIMITED

Manufacturer of Liquid Caramel Color

SAYAJI INGRITECH LLP

Manufacturer of spray dried food powders

SAYAJI SEEDS LLP

Research, Development & Production of Seeds

GROUP
AT A GLANCE

VERTICALLY INTEGRATED PLAYER WITH
76 YEARS OF EXPERIENCE

4 MANUFACTURING FACILITIES

EXPORT TO MORE THAN
40 COUNTRIES

UNPARALLELED DISTRIBUTION NETWORK IN INDIA
60+ AGENTS NATIONWIDE

50+
PRODUCTS

CATERS TO
10+ INDUSTRIES

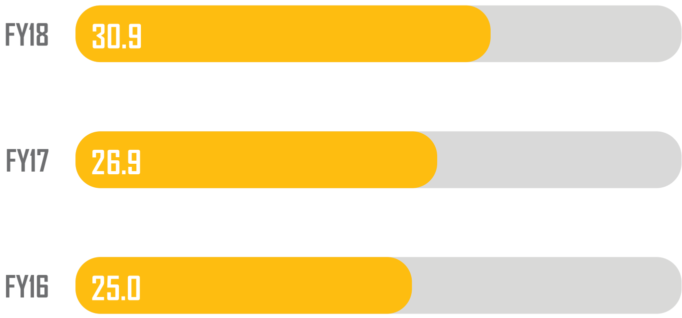
2018 KEY HIGHLIGHTS

REVENUE	PROFIT AFTER TAX	DIVIDEND PER SHARE
Rs. 597 Cr.	Rs. 6.6 Cr.	Rs. 3.75

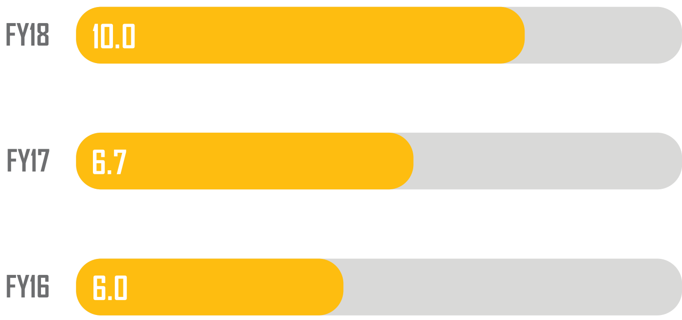
GROUP FINANCIAL REVIEW

REVENUE
(RS.' CR.)

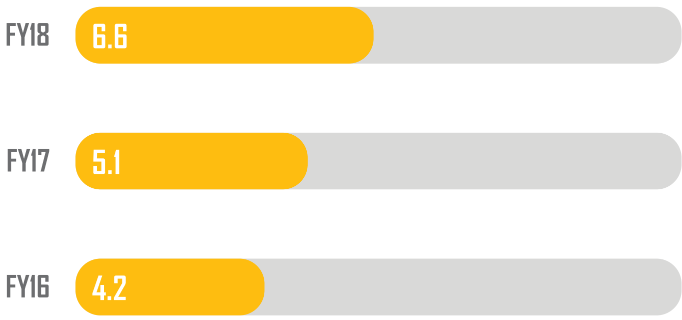
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION ("EBITDA")
(RS.' CR.)



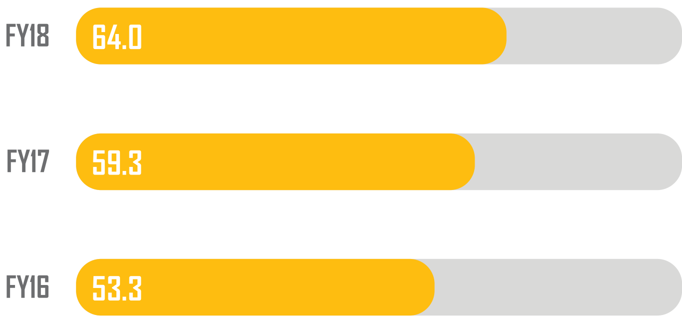
PROFIT BEFORE TAX
(RS.' CR.)



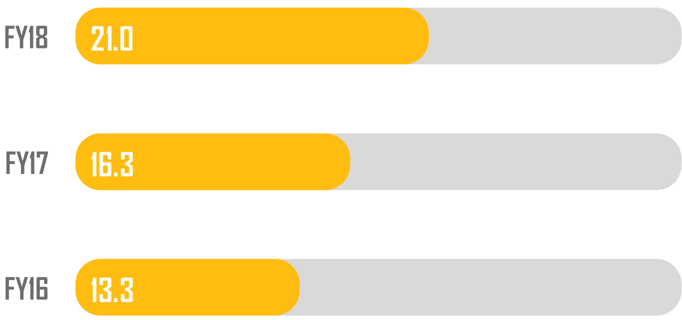
PROFIT AFTER TAX
(RS.' CR.)



SHAREHOLDERS' FUNDS
(RS.' CR.)



EARNINGS PER SHARE ("EPS")
(in RS.)



NOTICE

Notice is hereby given that the seventy seventh annual general meeting of Sayaji Industries Limited will be held at Banquet Hall, The Grand Vinayak Hotel, S.P. Ring Road Odhav Circle, Odhav, Ahmedabad - 382410 on Friday, 10th August, 2018 at 9.00 a.m.. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited balance sheet as at 31st March, 2018 and the statement of profit and loss and cash flow statement (including the consolidated financial statements) for the year ended on that date together with the notes attached thereto, along with the report of directors and auditors thereon.
2. To declare a dividend on equity shares of the company for the year ended 31st March, 2018.
3. To appoint a director in place of Mr. Vishal P. Mehta (holding DIN 02690946), who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

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 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Dalwadi and Associates, Cost Accountants (FRN - 000338) appointed as Cost Auditors by the board of directors of the company to audit the cost records of the company for the financial year 2018-19, be paid a remuneration of ₹ 1,00,000/- (Rupees one lakh only) plus goods & service tax and out of pocket expenses."

   "RESOLVED FURTHER THAT the board of directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. 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, if any, 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 and sign 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 website of the company."

   "FURTHER RESOLVED THAT the board of directors of the company be and is 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."

6. 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 sections 196, 197, 198 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 the terms and conditions as contained in the draft agreement to be executed with Mr. Priyam B. Mehta, who is also the executive director of N B Commercial Enterprises Ltd. and Director in Sayaji Sethness Ltd, Sayaji Corn Products Ltd. and Viva tex-chem Pvt. Ltd. for his reappointment as the managing director of the company from 12th August, 2018 to 31st March, 2023."

"FURTHER RESOLVED THAT the consent of the company be and is hereby accorded to the terms and conditions including remuneration payable to Mr. Priyam B. Mehta, the managing director for the period of three years from 12th August, 2018 to 11th August, 2021 as contained in the draft agreement of the re-appointment to be entered into with him as approved by the nomination and remuneration committee and the board of directors at their respective meetings held on 16th May, 2018 ensuring that the total remuneration to be paid to Mr. Priyam B. Mehta shall not exceed the limits prescribed under Schedule V to the Companies Act, 2013 ."

"FURTHER RESOLVED THAT the board of directors of the company be and is hereby authorised to execute the agreement with Mr. Priyam B. Mehta the managing director of the company and to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question or doubt that may arise in relation thereto and the board of directors be and is hereby also authorised to alter and vary such terms of appointment and remuneration of Mr. Priyam B. Mehta so as not to exceed the limits specified in Schedule V to the Companies Act, 2013."

7. 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 Sections 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 ₹ 8,00,000/- 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 16th January, 2018 to 31st March, 2019."

"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."

By order of the Board of Directors

Rajesh H. Shah
Company Secretary

Place : Ahmedabad
Date : May 16, 2018

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT AT THE 77TH ANNUAL GENERAL MEETING OF THE COMPANY.

In terms of Section 149,152 and other applicable provisions of the Companies Act, 2013 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. Vishal P. Mehta shall accordingly retire at the forthcoming annual general meeting and being eligible offers himself for reappointment.

Mr. Vishal P. Mehta was reappointed as the executive director on the board of directors of the company for the period from 26th July, 2016 to 31st March, 2021. The said appointment was approved by the members of the company at their 75th annual general meeting held on 13th September, 2016 by way of special resolution. Mr. Vishal P. Mehta holds a bachelor's degree in science (business administration) from Babson University, USA with honours in Economics. Mr. Vishal 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 production, purchase and plant operations. He has been instrumental in his efforts for debottlenecking and automation of manufacturing processes.

Mr. Vishal P. Mehta is the member of stakeholders relationship committee. Mr. Vishal P. Mehta is also the executive director in N B Commercial Enterprises Ltd. and a director in Sayaji Sethness Ltd, Sayaji Corn Products Ltd. and Viva Texchem Private Ltd.

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

By order of the Board of Directors

Rajesh H. Shah
Company Secretary

Place : Ahmedabad
Date : May 16, 2018

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 Saturday, the 4th August, 2018 to Friday, the 10th August, 2018 (both days inclusive).

4. The dividend on shares, if sanctioned by at members the annual general meeting, will be payable at specified branches of Kotak Mahindra Bank Limited, in India from 20th August, 2018, 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 3rd August, 2018.

5. Under Section 124 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules, 2016), the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of its declaration is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The company had, accordingly, transferred ₹ 1,77,515/- being the unpaid and unclaimed dividend amount pertaining to dividend 2009-10 to the IEPF. The details of the unpaid or unclaimed dividend are also uploaded as per the requirements, on the company's website www.sayajigroup.in. Members, who have not encashed their dividend pertaining to the year 2010-11, are advised to write to the company immediately claiming dividend declared by the company.

6. Under Section 124(6) of the Companies Act, 2013 and the rules made thereunder, the company is required to transfer equity shares of the investors whose dividend is unpaid/ unclaimed for a period of seven years to a demat account of the Investor Education and Protection Fund (IEPF) Authority. The company had, accordingly, transferred 56120 underlying equity shares for which the dividend is unpaid/ unclaimed since the financial year 2009-10 to demat account of IEPF Authority. The list of shareholders whose shares are so transferred is placed on the website of the company www.sayajigroup.in under the head Investors Relations. The shareholders whose dividend and equity shares are so transferred to IEPF can claim back the same by filing Form IEPF-5 with the IEPF authority with the required papers. The said form is available on website www.iepf.gov.in. Members may note that additional equity shares in case of shareholders whose dividend is unpaid/ unclaimed for a continuous period of seven year since financial year 2010-11 shall be transferred to demat account of IEPF authority within 30 days from August 25, 2018.

7. Members are requested to note that equity shares of the company are dematerialized and ISIN of the company is INE327G01024. 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.

8. 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 Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032.**

9. Members are requested to quote their folio numbers/ beneficiary account numbers in all their correspondence.

10. 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.

11. Electronic copy of the annual report for the year 2017-18 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 2017-18 is being sent by post/ courier.

12. 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.

13. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015), Regulation 44 of the Listing Regulations and secretarial standards on general meeting (SS2) issued by the Institute of Company Secretaries of India, the company is pleased to provide members facility to exercise their right to vote at the 77th annual general meeting by electronic means. The company has appointed M/s Karvy Computershare Private Limited for facilitating e-voting to enable the members to cast their votes electronically. The instruction and other information relating to e-voting are enclosed in a separate letter sent with this notice.

14. 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 (9.00 a.m. to 5.30 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

The Board, on the recommendations of the Audit Committee has approved the re-appointment of M/s Dalwadi and Associates, Cost Accountants (FRN - 000338) as cost auditor at a remuneration of ₹1,00,000/- (Rupees One Lakh only) plus goods & service tax and out of pocket expenses as applicable to conduct the audit of the cost records of the company for the financial year ending 31st March, 2019.

In accordance with the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

Accordingly, consent of the members is sought for passing an ordinary resolution as set out at item no. 4 of the notice for ratification of the remuneration payable to the cost auditors for the financial year ending 31st March, 2019.

Certificate dated May 3, 2018 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 9.00 a.m. to 5.30 p.m. on all working days and shall also be available at the annual general meeting 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. 4.

The board recommends the resolution as set forth at item no.4 of the notice for approval of the members.

Item no.5

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.5.

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 and 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 accepting and inviting such deposits from general public and shareholders 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.5.

The board recommends the resolution as set forth at item no.5 of the notice for approval of the members.

Item No.6

Mr. Priyam B. Mehta aged about 54 years has been with the company for more than 36 years. He has been instrumental in the progress of the company by leaps and bounds since he took over the management of the company with his late father. He has been actively involved in the day-to-day management of the company since his appointment as the managing director of the company and looks after all important functions of the company like, sales and domestic and international markets for the products of the company and exploring newer areas for the products of the company amongst others. There has been tremendous progress in the company under his leadership and the company has been able not only to increase its export turnover to more than 100 Crores but also has been able to increase its domestic sales to a great extent and achieve better margins on its sales.

Mr. Priyam B. Mehta is the executive director on the board of directors of N B Commercial Enterprises Ltd. He is also on board of directors of various other companies namely, Sayaji Sethness Ltd., Viva Texchem Private Ltd. and Sayaji Corn Products Ltd.

Mr. Priyam B. Mehta is the member of audit committee.

Concurring with the recommendations of the nomination and remuneration committee, and based on the experience and contributions of Mr. Priyam B. Mehta, the board at its meeting held on 16th May, 2018 has decided to reappoint him as the managing director of the company for the period from 12th August, 2018 to 31st March, 2023 at the following remuneration fixed by the nomination and remuneration committee for the period of three years from 12th August, 2018 to 11th August, 2021 :

a) Salary : Up to ₹.8,00,000/- per month as approved by the board from time to time and as permissible under Schedule V to 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 not taxable 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.

   Total salary and monetary value of perquisites to be paid to Mr. Priyam B. Mehta shall be within the overall ceiling on remuneration under the provisions of Section 197, 203 and other applicable provisions of the Companies Act, 2013 and Section II of Part II of Schedule V to the said act as may be amended from time to time.

c) Commission : Within the overall ceiling on remuneration of 5% and 10% of the net profits of the company computed in the manner as laid down under Section 197 of the Companies Act, 2013 in each year.

d) The managing director shall be allowed reimbursement of entertainment expenses. Travelling exp, lodging and boarding including for his spouse and attendant(s) during his business trips, any medical assistance provided including for his family members and provision of cars for use on company's business, telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites. The expenses, as may be borne by the company for providing security to the managing director and his family members shall not be considered as perquisites and accordingly shall not be included for the purpose of computation of the overall ceiling of remuneration.

e) The managing 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.

f) The remuneration referred to above is subject further to overall limit of 11% prescribed in section 197 of the Companies Act, 2013 Notwithstanding anything herein contained, where in any financial year during the period of his office as the managing director, the company has no profits or its profits are inadequate, the company may, subject to the requisite approvals, if required, pay Mr. Priyam B. 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. Priyam B. Mehta.

The Board of Directors considers the re-appointment of Mr. Priyam B. Mehta to be in the best interest of the company.

To re-appointment and remuneration of Mr. Priyam B. Mehta requires approval of the members of the company.

Mr. Priyam B. Mehta holds 364600 equity Shares of the company in his own name and no other share or convertible instrument in the company is held by him either in his own name or in the name of any other person on a beneficial basis.

In view of the provisions of section 196, 197, 198 and other applicable provisions of the Companies Act, 2013, the board recommends the special resolution set out at item no.6 of the accompanying notice for the approval of the members.

Copy of the draft 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. Priyam B. Mehta is concerned and interested in the resolution. Mrs. Sujata P. Mehta, Mr. Varun P. Mehta and Mr. Vishal P. Mehta to whom Mr. Priyam B. 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.6. This explanatory statement may also be regarded as a disclosure under regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The statement of information as required by second proviso (iv) of Paragraph B of Section-II of Part - II of Schedule -V to the Companies Act, 2013

I. General Information

1. Nature of Industry

Manufacturing company engaged in the manufacture and sale of Starches and its derivative products like Liquid Glucose, Dextrose Anhydrous, Dextrose Monohydrate, Sorbitol and other by-products like Maize Oil, Maize Oil Cake, Maize Gluten and Maize Wet and Dry bran.

2. Date or expected date of commencement of commercial production

The company is having its manufacturing facilities at P.O. Kathwada, Ahmedabad and it is one of the oldest and largest manufacturer of starches, its derivatives and by-products in the country since last more than 77 years. The corn wet milling was commenced by the company in the year 1941 with a modest grinding capacity. However today the grinding capacity of the company has exceeded more than 650 Tons/Day with ambitious plans to expand its capacity further.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus :

Not Applicable

4. Financial performance based on given indicators :

(₹ in Lacs)

Particulars	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**
Total income	53270.08	56771.53	59022.22
EBIDTA	2276.57	2555.44	2893.13
PBT	372.84	540.37	896.44
PAT	273.01	393.25	542.93
EPS (on equity share of the face value of ₹.10/- each (post sub-division and post issuance of bonus)	8.64*	12.44*	17.18
Net Worth	5010.33	5284.73	5685.04

***adjusted on equity shares after sub-division and issuance of bonus shares**

5. Foreign Investments or collaborations, if any :

The company had set up a company in the name of Sayaji Sethness Ltd. in collaboration with Sethness Products Company of USA for manufacture of caramel colours in 1993 which is operating successfully. Sayaji Group and Sethness Products Company hold 50% each in Sayaji Sethness Ltd.

II. INFORMATION ABOUT THE APPOINTEE

1. Background Details :

Mr. Priyam B. Mehta aged about 54 years is undergraduate but with more than 3 decades of experience in corn wet milling industry in India. He has been actively involved in the day-to-day management of the company since his appointment as the managing director of the company and looks after important functions of the company including sales, domestic and international markets and exploring new markets for company's products. There has been commendable increase in the domestic and export turnover of the company due to his vision and the company has been able to increase its top and bottom line with increase in the existing markets and addition of new markets for the products of the company.

2. **Past Remuneration :**

   Salary of ₹ 8,00,000/- (Rupees Eight Lakhs only) per month and other perquisites

3. **Recognition or Awards :**

   The company has received in past no. of awards for its products, use of boiler and certifications in recognition of the company's environmental management systems, quality management systems and health and safety management system. The most recent certification received by the company are (i) OHSAS 18001:2007 certification in recognition of company's health and safety management system, ISO 9001:2015 in recognition of company's quality management system and ISO 14001:2015 in recognition of company's environmental management system.

4. **Job Profile and his suitability**

   Mr. Priyam B. Mehta joined the company in 1982 and has more than 36 years of experience in corn wet milling industry. There has been commendable growth in the top and bottom line of the company under the leadership of Mr. Priyam B. Mehta since he has taken over as the managing director of the company. He looks after the day-to-day management of the company and all important functions which includes the domestic and international business of the company with a focus to expand existing domestic and overseas market and add new markets for the products of the company. His last term as the managing director is expiring on August 11, 2018 and the board has deemed it fit and in the interest of the company to reappoint him as the managing director for a period from 12th August, 2018 to 31st March, 2023 subject to the approval of members at the ensuing annual general meeting of the company.

5. **Remuneration proposed :**

   The board based on the recommendations of nomination and remuneration Committee has approved the reappointment of Mr. Priyam B. Mehta as the managing director of the Company for the period from 12th August, 2018 to 31st March, 2023 and his remuneration has been approved with effect from 12th August, 2018 for a period of 3 years as mentioned above.

6. **comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin) :**

   The proposed remuneration is comparable and competitive considering the industry, size of the company, the managerial position, the credentials and experience of the managing director.

7. **Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any :**

   Mr. Priyam B. Mehta is the managing director of the company and thus receives managerial remuneration. He also receives managerial remuneration from N B Commercial Enterprises Ltd. where he is the executive director and the total remuneration is within the limits prescribed under Schedule V to the Companies Act, 2013. He and his relatives are also entitled to various benefits in respect of his/ their shareholdings, if any, in the company and other group companies in which he/ his relatives are holding shares. Mr. Priyam B. Mehta is related to Mr. Varun P. Mehta, executive director, Mr. Vishal P. Mehta executive director and Mrs. Sujata P. Mehta director of the company.

III. OTHER INFORMATION

The main raw material for the company is maize which is agri commodity and the price of the same varies depending on the availability and demand for the same which again is dependent on the rainfall in the Country. The price of maize has remained steady in the recent past. There has also been an improvement in the top and bottom line of the company. The company has continued it efforts for debottlenecking, automation, improvement in process and technical parameters and is in the process of enhancing its capacities which in turn is expected to improve the top and bottom line of the company in the years to come.

IV. DISCLOSURES

1. All elements of remuneration package such as salary, benefits, bonuses, stock option, pension etc. of all directors :

   The company pays salary of ₹.8,00,000/- per month and other perquisites as mentioned above to Mr. Priyam B. Mehta, the managing director and the same salary and other perquisites to Mr. Varun P. Mehta and Mr. Vishal P. Mehta the executive directors of the company. The other directors of the company are paid sitting fees for attending the meeting of the board of directors and committee meetings. The details with regard to salary, benefits and sitting fees paid to the directors are disclosed in the annual report. The company did not give any bonuses and stock options to the directors.

2. Details of fixed components and performance linked incentives along with the performance criteria :

   Details with regard to salary, benefits and sitting fees paid to the directors are disclosed in the annual report. The company does not give any performance linked incentives to the directors.

3. Service contracts, notice period, severance fees :

   Not Applicable

4. Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and or which exercisable :

   Not Applicable

Item No.7

The company had pursuant to the special resolution passed by the shareholders in the annual general meeting held on 13th August, 2015 approved the appointment of Mr. Varun P. Mehta as the Executive Director of the company for the period from 16th January, 2015 to 31st March, 2019. The members granted their approval to the remuneration to Mr. Varun P. Mehta as the Executive Director of the Company for the period of three years from 16th January, 2015 to 15th January, 2018. The agreement was also entered into with him to this effect on 13th August, 2015. The members of the company revised the remuneration of Mr. Varun P. Mehta as the executive director of the company at the annual general meeting held on 28th July, 2017 till January 15, 2018 keeping in view steady increase in the top and bottom lines of the company within the overall limits prescribed under the revised Schedule V to the Companies Act, 2013.

The nomination and remuneration committee and the board of directors of the company at their respective meetings held on December 14, 2017 approved the following remuneration to Mr. Varun P. Mehta as the executive director of the company for the remaining tenure of his appointment from 16th January, 2018 to 31st March, 2019 and approval of the members of the company is sought to the same in terms of Sections 197, 203 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 ₹.8,00,000/- per month as approved by the board from time to time and as permissible under Schedule V to 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 not taxable 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.

   Total salary and monetary value of perquisites to be paid to Mr. Varun P. Mehta shall be within the overall ceiling on remuneration under the provisions of Section 197, 203 and other applicable provisions of the Companies Act, 2013 and Section II of Part II of Schedule V to the said act as may be amended from time to time.

c) Commission : Within the overall ceiling on remuneration of 5% and 10% of the net profits of the company computed in the manner as laid down under Section 197 of the Companies Act, 2013 in each year.

d) The executive director shall be allowed reimbursement of entertainment expenses. Travelling exp, lodging and boarding including for his spouse and attendant(s) during his business trips, any medical assistance provided including for his family members and provision of cars for use on company's business, telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites. The expenses, as may be borne by the company for providing security to the executive director and his family members shall not be considered as perquisites and accordingly shall not be included for the purpose of computation of the overall ceiling of remuneration

e) 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.

f) The remuneration referred to above is subject further to the overall limit of 11% prescribed in Section 197 of the Companies Act, 2013. 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 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 31st March, 2019.

The Board of Directors considers that the payment of aforesaid remuneration to Mr. Varun P. Mehta is in the best interest of the company.

Mr. Varun P. Mehta holds 54680 equity shares of the company in his own name and no other share or convertible instrument in the company is held by him either in his own name or in the name of any other person on a beneficial basis.

In accordance with the provisions of Sections 197, 203 and other applicable provisions of the Companies Act, 2013, the board recommends the special resolution set out at item no.7 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 special resolution as set out at item no.7. This explanatory statement may also be regarded as a disclosure under regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board of Directors

Rajesh H. Shah
Company Secretary

Place : Ahmedabad
Date : May 16, 2018

DIRECTORS' REPORT

To
THE SHAREHOLDERS,

Your directors have pleasure in presenting the 77th annual report together with audited statements of accounts of the company for the financial year ended 31st March, 2018.

FINANCIAL RESULTS: **(₹ in lakhs)**

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Total income	**59022.22**	56771.53	**59694.12**	56827.51
Operating profit before interest, depreciation and taxation	**2893.13**	2555.44	**2957.31**	2556.69
Gross profit	**1713.72**	1414.12	**1710.77**	1415.37
Profit before tax	**896.44**	548.51	**1000.51**	672.77
Profit after tax	**542.93**	393.25	**664.08**	517.06
Share of profit in joint venture	---	—	**129.37**	123.01
Earnings per share	**17.18**	12.44	**21.00**	16.33

YEAR IN RETROSPECT:

A) STANDALONE BASIS :

Your directors are pleased to report that during the year under review, the total income of your company increased by 3.96% to ₹ 59022.22 lakhs as against ₹ 56771.53 lakhs in the previous year. During the year under review, there has been reduction in the price of maize which is the major input for the company. The price of finished products remained more or less steady. There has been an increase in the maize grinding activity of the company. The company continued its efforts to further improve its technical parameters and its product mix. As a result of these efforts, despite of some increase in cost of some other inputs, your company has been able to increase its profitability during the year under review. The operating profit of the company is ₹2893.13 lakhs as against ₹.2555.44 lakhs in the previous year. The gross profit of the company stands at. ₹ 1713.72 lakhs as against. ₹.1414.12 lakhs in the previous year. During the year under review, the profit before tax of the company is ₹.896.44 lakhs as against ₹.548.51 lakhs in the previous year and the net profit after tax is ₹.542.93 lakhs as against ₹.393.25 lakhs in the previous year.

The company has continued its efforts to strengthen industrial safety measures within the factory premises and is constantly arranging programs/ workshops to make the employees aware of the safety requirements to prevent the accidents/ breakdowns/ fire etc. due to human errors.

The long term contract entered into by the company with Yashwant Sahakari Glucose Karkhana Limited (YSGK) for purchase of certain products manufactured by YSGK at mutually agreed price was terminated on 11/5/2017 due to dispute and differences between the parties. Out of advances paid by the company which remained unadjusted, as per the terms of the termination agreement YSGK agreed to pay a sum of ₹ 250.00 Lakhs in full and final settlement. The company has received ₹ 100.00 Lakhs from YSGK till 31st March, 2018 from the said amount. For the balance outstanding amount of ₹ 150.00 Lakhs (included in advances to suppliers), YSGK has issued post dated cheques to the company. The management of the company is confident of realisation of the amount of ₹ 150.00 Lakhs and in view of above no provision has been made for the same in the books of accounts of the company.

B) CONSOLIDATED BASIS :

The company has recorded a total income of ₹.59694.12 lakhs as against ₹.56827.51 lakhs in the previous year. The Gross Profit of the Company stands at. ₹.1710.77 lakhs as against. ₹.1415.37 lakhs in the previous year. During the year under review, the profit before tax of the company stood at ₹.1000.51 lakhs as against ₹.672.77 lakhs in the previous year and the net profit after tax was ₹ 664.08 lakhs as against ₹ 517.06 lakhs in the previous year.

SUB-DIVISION OF EQUITY SHARES, ISSUANCE OF BONUS SHARES AND LISTING AT BSE

During the year under review, the company sub-divided its equity shares from one equity share of ₹.100/- each into ten equity shares of ₹.10/- each and also issued three bonus equity shares of ₹.10/- each for every one equity share of ₹.10/- each held by the shareholders of the company. Post sub-division and post issuance of bonus shares, paid-up capital of the company has increased to ₹.3,16,00,000/- comprising of 31,60,000 equity shares of ₹.10/- each. The equity shares of the company are also listed at BSE with effect from 9th October, 2017.

DIVIDEND

Your directors are pleased to recommend a dividend of ₹.3.75/- per equity share (previous year ₹.3.75/- per equity share) for the financial year ended 31st March, 2018 which if approved by the members, will be paid to those members whose names appear on the register of members of the company on 3th August, 2018.

The total outflow on account of dividend will be ₹.142.85 lakhs including dividend tax of ₹ 24.36 lakhs.

FUTURE OUTLOOK :

With normal rains projected in the current year, your directors expect that the price of maize may go down or remain stable.

The company has gradually increased its grinding activity and is in the process of further increasing its grinding capacity with installation of new equipments, de-bottlenecking, automation of the existing production processes, and improvement in effluent treatment facilities as compared to previous years. The company is also in the process of replacing some of the old equipment with more efficient equipment which will increase its capacity to manufacture some value added products and further improve quality of those products.

Your directors hope that with implementation of aforesaid activities, the top line and bottom line of your company may improve further.

AWARDS AND RECOGNITION

The company has received in past no. of awards for its products, use of boiler and certifications for recognition of the company's systems. The most recent certifications received by the company are OHSAS 18001:2007 certification in recognition of company's health and safety management system, ISO 9001:2015 in recognition of company's quality management system and ISO 14001:2015 in recognition of company's environmental management system.

TECHNICAL ASSISTANCE AGREEMENTS:

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

EXPORTS:

Your directors report that the export turnover of the company during the year under review is ₹ 10659.60 lakhs as against ₹.9340.57 lakhs which shows improvement of 14.12% during the year under review. 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.

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 and the company has been able to achieve better price realization for its products as compared to its competitors. It is heartening to note that due to efforts on the part of the sole selling agents, despite of increase in the revenue from operations of the company, total receivables at the end of the year remained in control and average credit period has reduced during the year under review.

The directors place on record its appreciation for the persistent untiring efforts of the sole selling agents to find new markets, pursue with the customers for additional orders and to ensure timely collection of dues.

PUBLIC DEPOSITS:

Deposits aggregating ₹.66.17 lakhs due for repayment on or before 31st March, 2018 were not claimed by the depositors on that date. As on the date of this report, from the aforesaid amount, deposits aggregating ₹ 52.73 lakhs have been claimed/paid.

Your company has accepted the deposits aggregating to ₹.1650.35 lakhs during the year under review after complying with the provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. There has been no default in repayment of deposits or payment of interest thereon during the year under review and there are no deposits which are not in compliance with the requirements of Chapter V of the Companies Act, 2013.

Your directors appreciate the support which the company has received from the public and shareholders to its fixed deposit scheme.

INSURANCE:

All the properties and insurable interests of the company including buildings, plant and machinery, stocks, loss of profit and standing charges etc. are adequately insured.

GREEN INITIATIVE:

The company continues to generate electricity from biogas engine of 1800 KVA capacity which utilizes biogas captured while treating the effluents which are generated from the manufacturing processes of the company. This has reduced power cost. Utilization of biogas for generation of electricity reduces emission of the green house gases into environment and thus supports green environment.

MATERIAL CHANGES:

There are no material changes and commitments, affecting the financial position of the company which has occurred between the end of the financial year under review of the company to which the financial statements relate and the date of this board report.

DIRECTORS:

A special resolution has been proposed for the approval of the members for reappointment of Mr. Priyam B. Mehta as the managing director of the company for the period from 12th August, 2018 to 31st March, 2023 and for approving his remuneration for the period of three years from 12th August, 2018 to 11th August, 2021. A special resolution has also been proposed for payment of same remuneration to Mr. Varun P. Mehta as the executive director of the company for the period from 16th January, 2018 to 31st March, 2019 the details of which are mentioned in the explanatory statement of the notice of the 77th annual general meeting.

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

The company has received a declaration from all the independent directors that they meet the criteria of independence provided under Section 149 (6) of the Companies Act, 2013 for the financial year under review.

Mr. Priyam B. Mehta is the chairman and managing director of the company since November, 1982. He is assisted by Mr. Varun P. Mehta who is the executive director of the company since January, 2010 and Mr. Vishal P. Mehta who is also the executive director of the company since July, 2011. The appointment of the said whole time directors and their remuneration are recommended by the nomination and remuneration committee keeping in mind their contribution to the growth of the company, the financial position of the company, prevailing industry norms, provisions of the Companies Act, 2013 and approved by the board of directors and members of the company from time to time.

The independent directors of the company are highly qualified and stalwarts in their respective filed with wide and varied experience. They actively participate in the discussions at the board meeting and their suggestions have helped the company to grow at a rapid pace. The members at their 73rd Annual General Meeting held on 26th July, 2014 have appointed CA Mahendra N. Shah, Dr. Gaurang K. Dalal. Dr. Janak D. Desai and CA Chirag M. Shah as independent directors of the company for the period of five years for a term upto 31st March, 2019 keeping in mind their contribution to the growth of the company. The independent directors are paid sitting fees for attending the board and committee meetings. The nomination and remuneration committee has in place their criteria for determination of qualifications, positive attributes and independence of the directors, which they would consider as and when the company would be required to appoint the new independent directors.

Pursuant to the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the board has carried out an evaluation of its own performance, the performance of directors individually as well as the evaluation of working of its audit committee, nomination and remuneration committee, stakeholders relationship committee and corporate social responsibility committee. The manner in which the evaluation has been carried out has been explained in the corporate governance report.

The manner in which the remuneration is paid to the directors, executive directors and senior level executives of the company has also been explained in the corporate governance report.

During the year under review, seven board meetings, one independent directors meeting and four audit committee meetings were convened and held the details of which are given in the corporate governance report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013 your directors would like to state that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year as on 31st March, 2018 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, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors have prepared the annual accounts on a "going concern" basis;

(v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

EXTRACT OF ANNUAL RETURN AND OTHER DISCLOSURES UNDER COMPANIES (APPOINTMENT AND REMUNERATION) RULES, 2014

The extract of annual return in form no. MGT-9 as provided under Section 92 (3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management & Administration) Rules 2014 is annexed hereto as **Annexure-1** and forms the part of this report.

Further, the disclosure in the board report under Rule 5 of Companies (Appointment & Remuneration) Rules, 2014 is also annexed hereto as **Annexure-2** and forms the part of this report.

terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

SUBSIDIARY COMPANIES:

The company has three subsidiaries i.e. Sayaji Corn Products Ltd., Sayaji Ingritech LLP and Sayaji Seeds LLP. Sayaji Sethness Limited is a joint venture of the company. Pursuant to Section 129(3) of the Companies Act, 2013 a statement in Form AOC 1 containing the salient features of the financial statements of each of the subsidiaries and the joint venture company is attached to the annual report.

CODE OF CONDUCT:

The board of directors has approved a code of conduct which is applicable to the members of the board and all executives one level below the board. The company believes in zero tolerance against bribery, corruption and unethical dealings/ behaviour of any form and the board has laid down the directives to counter such acts. The code of conduct has been posted on company's web site www.sayajigroup.in

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The details of loans, guarantees or investments under Section 186 of the Companies Act, 2013 at the beginning of the year, given/ made during the year and at the end of the financial year under review is as given below:

Particulars of Loans/ Guarantees/ Investments	As at 1/4/2017	Given/ Made during the financial year	As at 31/3/2018
Investment in 12.00,000 equity shares of Sayaji Sethness Ltd.	₹ 1,20,00,000/-	Nil	**₹ 1,20,00,000/-**
Investment in 2500 equity shares of Rapicut Carbide Ltd.	₹ 5000/-	Nil	**₹ 5000/-**
Investment in 472 equity shares of Punjab National Bank	₹ 1,84,000/-	Nil	**₹ 1,84,000/-**
Investment in Sayaji Corn Products Ltd.	₹ 5,00,000/-	Nil	**₹ 5,00,000/-**
Investment in Sayaji Seeds LLP	₹ 80,00,000/-	₹ 1,00,00,000/-	**₹ 1,80,00,000/-**
Investment in Sayaji Ingritech LLP	Nil	₹ 2,08,99,956/-	**₹ 2,08,99,956/-**
Corporate Guarantee given to Punjab National Bank for financial assistance to N B Commercial Enterprises Ltd.	₹ 17,50,00,000/-	Nil	**₹ 17,50,00,000/-**
Corporate guarantee given to Kotak Mahindra Bank for financial assistance to Sayaji Ingritech LLP	₹ 8,25,00,000/-	Nil	**₹ 8,25,00,000/-**
Corporate guarantee given to Kotak Mahindra Bank for financial assistance to Sayaji Seeds LLP	Nil	₹ 6,00,00,000/-	**₹ 6,00,00,000/-**

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were at arm's length basis and were in the ordinary course of business. The company had not entered into any transactions with related parties which could be considered material in

The code lays down the standard procedure of business conduct which is expected to be followed by the directors and executives one level below the board in their business dealings and in particular on matters relating to integrity in the work place, in business practice and in dealing with stakeholders.

All the board members and executives one level below the board have confirmed compliance with the code.

STATEMENT ON DEVELOPMENT AND IMPLEMENATION OF RISK MANAGEMENT POLICY:

The statement on development and implementation of risk management policy is given under the management discussion and analysis report which is attached with this annual report.

INTERNAL FINANCE CONTROL:

Details in respect of adequacy of internal finance control with reference to the financial statements are stated in management discussion and analysis report which forms the part of this report.

CORPORATE SOCIAL RESPONSIBITY (CSR) POLICY AND CSR INITIATIVES:

The company has developed CSR policy with the objective to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of nearby society. CSR policy is also available on the web-site of the company.

The company has contributed in the past generously in the areas like health-care, education, wild animal protection etc. The company has donated its precious land for establishment of primary school and has procured furniture, computers, electrical fittings etc. required by the school for the benefits of children living in nearby areas. Contributions have also been made for programs formed by Government of Gujarat for education of girls in the state.

The CSR policy developed by the company mentions the areas of its operation, the CSR activities, the allocation of funds and arrangements for carrying out such activities. The members of CSR committee include Mr. Varun P. Mehta as chairman, Dr. Gaurang K. Dalal, Dr. Janak D. Desai and Mrs. Sujata P. Mehta as members.

The company has spent a sum of ₹ 15.49 Lakhs on CSR activities during the year under review which is more than the prescribed limits of the amount of ₹11.53 Lakhs which it is required to spend on the said activities pursuant to the provisions of Section 135 of the Companies Act, 2013. The CSR activities were overseen by the CSR Committee and also by the Board of Directors on a regular basis. The report on CSR activities is annexed hereto as **Annexure - 3** and forms the part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The management discussion and analysis report as required under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been attached and forms part of this directors' report.

CORPORATE GOVERNANCE:

Your company has complied with the requirements of corporate governance as prescribed under Schedule V of the SEBI (LODR) Regulations, 2015. A separate report on corporate governance forms the part of the annual report. A certificate from the practising company secretary Amrish Gandhi regarding compliance of conditions of corporate governance also forms the part of this report.

AUDITORS:

M/s Shah and Shah Associates, Chartered Accountants Ahmedabad (ICAI Registration No. 113742W) continue to act as the statutory auditors till the conclusion of 81st annual general meeting of the company to be held in the year 2022.

SECRETARIAL AUDIT:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, practicing company secretary Amrish Gandhi was appointed to undertake secretarial audit of the company. The secretarial audit report is annexed herewith as **Annexure - 4** and forms the part of this report.

COST AUDITORS:

The Company has received a letter dated May 3, 2018 from the cost auditors M/s Dalwadi & Associates, Cost Accountants 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. The board of directors of the company at its meeting held on May 16, 2018 appointed M/s Dalwadi & Associates Cost Accountants as the cost auditors of the company to conduct the audit of cost records maintained by the company as required by the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time.

The members are requested to ratify the remuneration to be paid to the cost auditors of the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO:

The information on conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Rule 8(3) of the Companies (Accounts) Rules, 2014 is appended hereto as **Annexure - 5** and forms part of this report.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment &

Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company will be provided upon request. In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto excluding the information on employees particulars which is available for inspection by members at the registered office of the company during the business hours on working days of the company upto the date of ensuing 77th annual general meeting of the company. If any member is interested in inspecting the same, the member may write to the company secretary in advance.

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 : May 16, 2018

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE-1
Form No. MGT 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2018

[pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	**L99999GJ1941PLC000471**
2	Registration Date	**30th January, 1941**
3	Name of the Company	**Sayaji Industries Limited**
4	Category / Sub-Category of the Company	**Public Limited Company**
5	Address of the Registered Office and contact details	**P.O. Kathwada, Maize Products, Ahmedabad 382430 Telephone no. 079-22901581-85 e-mail : maize@sayajigroup.in**
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	**Karvy Computershare Private Limited** Karvy Selenium Tower B, Plot 31-32,Gachibowli Financial District, Nanakramguda, Hyderabad - 500032 Phone : 040-44655000/040-44655188 e-mail : einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC code of the product/service	% to total turnover of the company
1	Maize Starch Powder	1108.12.00	21.37
2	Liquid Glucose	2905.44.00	21.21
3	Sorbitol	1702.30.01	13.89

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and address of the company/LLP	CIN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section
1	M/s Sayaji Sethness Limited. Maize Products, P.O. Kathwada, Dist. Ahmedabad 382430, Gujarat.	U24110GJ1993PLC020479	Joint Venture Company	40.00	Section 2 (6) of the Companies Act, 2013
2	Sayaji Seeds LLP C-155, B/h C L High School, Village Kathwada, Taluka Daskroi Dist Ahmedabad-382430	AAF-1886	Subsidiary LLP	90.00	Section 2 (87) of the Companies Act, 2013
3	Sayaji Ingritech LLP 61, GVMM, Odhav, Ahmedabad - 382410	AAF-5992	Subsidiary LLP	75.999	Section 2(87) of the Companies Act, 2013
4	Sayaji Corn Products Limited P.O Kathwada,Maize Products, Kathwada, Ahmedabad-382430	U15129GJ2016PLC091578	Subsidiary Company	99.998	Section 2 (87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Note : One equity share of ₹.100/- each of the company has been sub-divided into 10 equity shares of ₹.10/- each w.e.f. 12/6/17 and the company has issued three equity shares of ₹.10/- each as bonus shares for every one equity share of ₹.10/- each on 14/6/2017. To compare the shares held at the beginning of the year and at the end of the year, for each category of shareholders the shares held at the beginning of the year are increased to give effect to the sub-division and issuance of bonus shares

i) Category-wise share holding

Category of Shareholders	No of shares held at the beginning of the year				No of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A) Promoters									
1) Indian									
a) Individual/ HUF	497920	732000	1229920	38.92	1213200	16720	1229920	38.92	0
b) Central govt	0	0	0	0	0	0	0	0	0
c) state govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	214080	923520	1137600	36	1137560	40	1137600	36	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other	400	1320	1720	0.06	400	1320	1720	0.06	0
Sub-total (A) (1):-	712400	1656840	2369240	74.98	2351160	18080	2369240	74.98	0
(2) Foreign									
a) NRI /Individuals	0	0	0	0	0	0	0	0	0
b) Other individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total Share holding of promoter (A)= (A)(1)+(A)(2)	712400	1656840	2369240	74.98	2351160	18080	2369240	74.98	0
B. Public Shareholding									
1) Institutions	0	0	0	0	0	0	0	0	0
(a) Mutual Funds	0	0	0	0	0	0	0	0	0
(b) Banks/FI	400	160	560	0.02	400	160	560	0.02	0
(c) Central Govt	0	0	0	0	0	0	0	0	0
(d) State Govt(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIIS	0	0	0	0	0	0	0	0	0
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	400	160	560	0.02	400	160	560	0.02	0
2. Non-Institutional									
(a) Bodies Corp.									
(i) Indian	1000	760	1760	0.05	2817	680	3497	0.11	0.06
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individual									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh	260560	461600	722160	22.85	256043	344540	600583	19	-3.85
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	0	66080	66080	2.09	94280	91600	185880	5.88	3.79
(c) Others -NRI	200	0	200	0.01	240	0	240	0.01	0
Sub-total (B)(2):-	261760	528440	790200	25	353130	437070	790200	25	0
Total public Shareholding (B)= (B)(1)+(B)(2)	262160	528600	790760	25.02	353780	436980	790760	25.02	0
Shares held by custodians for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	974560	2185440	3160000	100	2704940	455060	3160000	100	0

(ii) ***Shareholding of Promoters***

Sr. No.	Name	Shareholding		Date	Increase / Decrease in share holding	Reason	Cumulative shareholding during the year (1/4/17 to 31/3/18)	
		No of shares at the beginning (1/4/17) / end of the year (31/3/18)	% of total shares of the Company				No of shares	% of total shares of the company
1	C V Mehta Pvt Ltd	479760	15.18	1/4/2017	0	Nil movement		
		479760	15.18	31/3/2018		during the year	479760	15.18
2	Priyam Commercial	428200	13.55	1/4/2017	0	Nil movement		
	Enterprises Pvt Ltd	428200	13.55	31/3/2018		during the year	428200	13.55
3	Smt Sujata	568840	18.00	1/4/2017	0	Nil movement		
	Priyam Mehta	568840	18.00	31/3/2018		during the year	568840	18.00
4	Shri Priyam	364600	11.54	1/4/2017	0	Nil movement		
	Bipinbhai Mehta	364600	11.54	31/3/2017		during the year	364600	11.54
5	Bini Commercial	229600	7.27	1/4/2017	0	Nil movement		
	Enterprises Pvt Ltd	229600	7.27	31/3/2018		during the year	229600	7.27
6	Smt Niramayiben	152480	4.83	1/4/2017	0	Nil movement		
	Bipinbhai Mehta	152480	4.83	31/3/2017		during the year	152480	4.83
7	Shri Vishal	72000	2.28	1/4/2017	0	Nil movement		
	Priyam Mehta	72000	2.28	31/3/2018		during the year	72000	2.28
8	Smt Priyaben	14720	0.47	1/4/2017	0	Nil movement		
	Amalbhai Kothari	14720	0.47	31/3/2018		during the year	14720	0.47
9	Shri Varun	54680	1.73	1/4/2017	0	Nil movement		
	Priyam Mehta	54680	1.73	31/3/2018		during the year	54680	1.73
10	Shri Amal	2000	0.06	1/4/2017	0	Nil movement		
	Kirtibhai Kothari	2000	0.06	31/3/2018		during the year	2000	0.06
11	Shri Bipinbhai	600	0.02	1/4/2017	0	Nil movement		
	Vadilal Mehta	600	0.02	31/3/2018		during the year	600	0.02
12	Shri Janak D Desai	480	0.02	1/4/2017	0	Nil movement		
		480	0.02	31/3/2018		during the year	480	0.02
13	Shri Chirag M Shah	440	0.01	1/4/2017	0	Nil movement		
		440	0.01	31/3/2018		during the year	440	0.01
14	Shri Gaurang	400	0.01	1/4/2017	0	Nil movement		
	Kantilal Dalal	400	0.01	31/3/2018		during the year	400	0.01
15	Shri Mahendrabhai	400	0.01	1/4/2017	0	Nil movement		
	Natvarlal Shah	400	0.01	31/3/2018		during the year	400	0.01
16	Shri Murli packing &	40	0.00	1/4/2017	0	Nil movement		
	Trading Co. Pvt Ltd	40	0.00	31/3/2018		during the year	40	0.001

(iii) ***Change in Promoters' Shareholding (please specify, if there is no change) :***

Sr. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	At the beginning of the year	2369240	74.98	2369240	74.98
2	Date wise Increase/Decrease in promoters shareholding during the year specifying the reasons for increase/decrease(e.g. allotment/ transfer/bonus/sweat equity etc);		There is no change in promoters' holding		
	At the end of the year	2369240	74.98	2369240	74.98

(iv) Shareholding Pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sr. No.	Name	Shareholding: No of shares at the beginning (1/4/17) / end of the year (31/3/18)	Shareholding: % of total shares of the Company	Date	Increase / Decrease in share holding	Reason	Cumulative shareholding during the year (1/4/17 to 31/3/18): No of shares	Cumulative shareholding during the year (1/4/17 to 31/3/18): % of total shares of the company
1	Shri Suhasbhai V Mehta	66080	2.09	1/4/2017	0	Nil movement during the year		
		66080	2.09	31/3/2018			66080	2.09
2	Shri Mahendra Girdharlal	22880	0.72	1/4/2017	0	Nil movement during the year		
		22880	0.72	31/3/2018			22880	0.72
3	Shri Kanhai Siddhitbhai Jhaveri	15280	0.48	1/4/2017	0	Nil movement during the year		
		15280	0.48	31/3/2018			15280	0.48
4	Unit Trust of India	13720	0.43	1/4/2017	0	Nil movement during the year		
		13720	0.43	31/3/2018			13720	0.43
5	Shri Dhavalkumar Todarmal Sheth	11800	0.37	1/4/2017	0	Nil movement during the year		
		11800	0.37	31/3/2018			11800	0.37
6	Shri Suhasbhai V Mehta	7160	0.23	1/4/2017	0	Nil movement during the year		
		7160	0.23	31/3/2018			7160	0.23
7	Shri Jawahirlal N Jariwala	6040	0.19	1/4/2017	0	Nil movement during the year		
		6040	0.19	31/3/2018			6040	0.19
8	Shri Atit Tarangbhai Shah	5880	0.19	1/4/2017	0	180 shares transferred		
		5700	0.19	31/3/2018	180		5700	0.18
9	Vikas Kejriwal	4800	0.15	1/4/2017	0	Nil movement during the year		
		4800	0.15	31/3/2018			4800	0.15
10	Bhavna G. Desai	0	0	1/4/2017	4640	Transfer		
		4640	0.15	31/3/2018			4640	0.15
10	Devilaben Arvindkumar Haribhakti+	4800	0.15	1/4/2017	0	Transfer		
				9/12/2017	3200			
		1600	0.05	31/3/2018			1600	0.05

* Not in the list of Top 10 shareholders as on 1/4/2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31/3/2018.

+ Ceased to be in the list of Top 10 shareholders as on 31/3/2018. The same is reflected above since the shareholder was one of the Top 10 shareholder as on 1/4/2017.

(v) Shareholding of directors and key managerial personnel:

Sr. No.	Name of Directors and KMP	Shareholding: No of shares at the beginning (1/4/17) / end of the year (31/3/18)	Shareholding: % of total shares of the Company	Date	Increase / Decrease in share holding	Reason	Cumulative shareholding during the year (1/4/17 to 31/3/18): No of shares	Cumulative shareholding during the year (1/4/17 to 31/3/18): % of total shares of the company
1	Shri Priyam Bipinbhai Mehta	364600	11.54	1/4/2017	0	Nil movement during the year		
		364600	11.54	31/3/2018			364600	11.54
2	Shri Varun Priyam Mehta	54680	1.73	1/4/2017	0	Nil movement during the year		
		54680	1.73	31/3/2018			54680	1.73
3	Shri Vishal Priyam Mehta	72000	2.28	1/4/2017	0	Nil movement during the year		
		72000	2.28	31/3/2018			72000	2.28
4	Smt Sujata Priyam Mehta	568840	18.00	1/4/2017	0	Nil movement during the year		
		568840	18.00	31/3/2018			568840	18.00
5	Shri Mahendrabhai Natvarlal Shah	400	0.01	1/4/2017	0	Nil movement during the year		
		400	0.01	31/3/2018			400	0.01
6	Shri Janak D Desai	480	0.02	1/4/2017	0	Nil movement during the year		
		480	0.02	31/3/2018			480	0.02
7	Shri Gaurang Kantilal Dalal	400	0.01	1/4/2017	0	Nil movement during the year		
		400	0.01	31/3/2018			400	0.01
8	Shri Chirag M Shah	440	0.01	1/4/2017	0	Nil movement during the year		
		440	0.01	31/3/2018			440	0.01
9	Shri Rajesh Hasmukhlal Shah	0	0	1/4/2017	0	Nil movement during the year		
		0	0	31/3/2018			0	0
10	Shri N J Deora	400	0.01	1/4/2017	0	Nil movement during the year		
		400	0.01	31/3/2018			400	.001

V. INDEBTEDNESS

Indebtedness of the company including interest outstanding/accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal amount	7636.18	0.00	2568.53	10204.71
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest accrued but not due	19.91	0.00	0.00	19.91
Total (i+ii+iii)	7656.09	0.00	2568.53	10224.62
Change in Indebtedness during the financial year				
• Addition	1015.81	0.00	679.83	1695.64
• Reduction	764.14	0.00	537.01	1301.15
Net change	251.67	0.00	142.82	394.49
Indebtedness at the end of the financial year				
(i) Principal amount	7887.85	0.00	2711.35	10599.20
(ii) Interest due but not paid	0.00	0.00	0.00	0.00
(iii) Interest **accrued** but not due	17.31	0.00	0.00	17.31
Total (i+ii+iii)	**7905.16**	**0.00**	**2711.35**	**10616.51**

VI. A. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

(₹ in lakhs)

Sr. No.	Particulars of remuneration	Name of MD/WTD/Manager			Total Amount
		Chairman and Managing Director Mr. Priyam B. Mehta	Executive Director Mr. Varun P. Mehta	Executive Director Mr. Vishal P. Mehta	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income – Tax Act, 1961	96.00	96.00	96.00	288.00
	(b) Value of perquisites u/s17(2) of the Income-Tax Act,1961	21.26	23.90	18.60	63.76
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act 1961	—	—	—	—
2.	Stock option	—	—	—	—
3.	Sweat equity	—	—	—	—
4.	Commission-as % of profit-others, specify	—	—	—	—
5.	Others, please specify	—	—	—	—
	Total (A)	**117.26**	**119.90**	**114.60**	**351.76**
	Celing as per Act	168.00	168.00	168.00	504.00

B. REMUNERATION TO OTHER DIRECTORS:

(₹ in lakhs)

Sr. No.	Particulars of remuneration	Name of Director					Total Amount
		CA Mahendra N Shah	CA Chirag M Shah	Dr. Gaurang K Dalal	Dr. Janak D Desai	Smt. Sujata P Mehta	
	1. Independent Directors						
	• Fee for attending board/committee meetings	2.66	2.48	2.70	2.21	—	10.05
	• Commission	—	—	—	—	—	—
	• Others, please specify	—	—	—	—	—	—
	Total (1)	2.66	2.48	2.70	2.21	—	10.05
	2. Other Non- Executive Directors						
	• Fee for attending board/committee meetings	—	—	—	—	2.07	2.07
	• Commission	—	—	—	—	—	—
	• Others, please specify	—	—	—	—	—	—
	Total (2)	—	—	—	—	2.07	2.07
	Total (B) = (1+2)	2.66	2.48	2.70	2.21	2.07	12.12
	Total Managerial Remuneration	2.66	2.48	2.70	2.21	2.07	12.12
	Overall Ceiling as per the Act	8.00	8.00	8.00	8.00	7.00	49.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in lakhs)

Sr. No.	Particulars of remuneration	CFO Shri N J Deora	Company Secretary Shri Rajesh H Shah	Total
1.	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income – Tax Act, 1961 (b) value of perquisites u/s17(2) of the Income-Tax Act,1961 (c) profits in lieu of salary under section 17(3) of the Income Tax Act 1961	 25.68 10.47 —	 25.13 10.09 —	 50.81 20.56 —
2.	Stock option	—	—	—
3.	Sweat equity	—	—	—
4.	Commission-as % of Profit- others, specify	—	—	—
5.	Others, please specify	—	—	—
	Total (A)	**36.15**	**35.22**	**71.37**

VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment compounding fees imposed	Authority [RD/NCLT/COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE - 2

DISCLOSURE IN THE BOARD'S REPORT UNDER RULE 5 OF COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

i	The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year 2017-18	Director's name	Ratio to mean remuneration
		Mr. Priyam B. Mehta, Chairman & Managing Director	39.86 : 1
		Mr. Varun P. Mehta, Executive Director	40.75 : 1
		Mr. Vishal P. Mehta, Executive Director	38.96 : 1
		CA Mahendra N. Shah, Director	0.90 : 1
		CA Chirag M. Shah, Director	0.84 :1
		Dr. Gaurang K Dalal, Director	0.92 :1
		Dr. Janak D. Desai, Director	0.75 : 1
		Mrs. Sujata P. Mehta, Director	0.70 : 1
ii	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year 2017-18 as compared to 2016-17	Director's / CFO/CS Name	% increase in remuneration
		Mr. Priyam B. Mehta, Chairman & Managing Director	25.30
		Mr. Varun P. Mehta, Executive Director	32.40
		Mr. Vishal P. Mehta, Executive Director	25.53
		CA Mahendra N. Shah, Director	28.50
		CA Chirag M. Shah, Director	34.05
		Dr. Gaurang K Dalal, Director	45.95
		Dr. Janak D. Desai, Director	39.87
		Mrs. Sujata P. Mehta, Director	35.29
		Mr. N J Deora,CFO	43.11
		Mr. Rajesh H. Shah,CS	35.15
iii	Percentage increase in the median remuneration of employees in the financial year 2017-18 as compared to 2016-17	20.31%	
iv	No. of permanent employees on the roll of the company	As on 31.3.2018	As on 31.3.2017
		860	872
v	Explanation on the remuneration between the average increase in the remuneration and the company performance	Increase in remuneration is to compensate the inflationary effect and is in line with improvement in the profitability of the company.	

vi	Comparison of the remuneration of the KMP against the performance of the company	There is an increase in the remuneration of KMP commensurate with industry norms and improvement in the working of the company.				
vii	Variations	Details	31.3.2018	31.3.2017		
		Market Capitalization	16193.42 Lakhs	NA		
		P E Ratio	29.83	NA		
		% increase / decrease of market quotation	NA	NA		
		Net worth	5685.04 Lakhs	5284.73 Lakhs		
viii	Average percentile increase in salaries of employees other than managerial personnel	During 2017-18 24.85%	During 2016-17 8.96%			
		Justification for increase with reason for any exceptional circumstances	Normal industry standards applied and also performance of the company			
ix	Comparison of remuneration of each KMP against the performance of the company	Name of the KMP	Remuneration for the year ended			Reason against performance of the company
			31.3.18	31.3.17	% change	
		Mr. Priyam B. Mehta CMD	117.26 lakhs	93.58 lakhs	25.30	The increase is justified keeping in view the inflation & prevailing industry standards.
		Mr. N J Deora, CFO	36.15 lakhs	25.26 lakhs	43.11	
		Mr. Rajesh H. Shah, CS	35.22 lakhs	26.06 lakhs	35.15	
x	Key parameters for any variable components of remuneration availed by the Directors	Nil				
xi	Ratio of the remuneration of the highest paid director to that of the employees who are not director but receive remuneration in excess of the highest paid director during the year	Nil				

The board of directors of the company affirms that the remuneration is as per the remuneration policy of the company.

ANNEXURE- 3 TO DIRECTORS REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. **Brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or program.**

   The CSR policy was approved by the Board of Directors on 26th July, 2014.

   The objective of the company's CSR policy is to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of the nearby society.

   The company has been engaged in CSR related activities since many years and has contributed generously in the areas like health care, education, wild animal protection etc. The company has donated its precious land for establishment of a primary school in its area and has procured furniture, computers, electrical fittings etc. required by the school for the benefit of children living in nearby areas. Contributions have also been made in the past for the programs formed by the Government of Gujarat for education of girls in the state.

   The CSR policy adopted by the company intends to do CSR activities in various areas which include the areas like education, infrastructure support to education centers, skill development, community health care, (specialized in medical treatment, health camps etc.) Saving wild animals, animal welfare sanitation and public health, rain water harvesting, construction, repair and maintenance of community centers, promotion of art and culture, taking measures for benefit of armed forces veterans etc.

   Web Link : **https://www.sayajigroup.in/wp-content/uploads/2016/06/CSR.pdf**

2. **Composition of CSR committee**

Name of the Member	**Designation**
Mr. Varun P. Mehta	Chairman
Dr. Janak D. Desai	Member
Dr. Garuang K. Dalal	Member
Mrs. Sujata P. Mehta	Member

3. **Average net profit of the company for last three financial years :** ₹ 576.44 lakhs

4. **Prescribed CSR Expenditure (2% of the amount as in item 3 above)**

   The company is required to spend ₹ 11.53 lakhs.

5. **Details of CSR expenditure done in the financial year under review :**

   a) Total sum spent for the financial year : ₹ 15.49 lakhs
   b) Amount unspent, if any : NIL
   c) Manner in which the amount is spent during the financial year is detailed below : **(₹ in lakhs)**

Sr. No.	Project activities	Sector	Locations	Amount outlay (budget) project or program-wise	Amount spent on the project or program	Cumulative expenditure upto reporting period	Amount spent, direct or through implementing agency
1	Cleaning of Primary School, providing other facility to students and safety of students	Promotion of education	Kathwada Ahmedabad	4.75	4.74	4.74	4.74
2	Laying of water distribution pipeline in Singarva village from the tubewell to Gopalnagar area of the village for drinking water distribution to villagers	Making available clean drinking water	Singarva Ahmedabad	5.75	5.75	5.75	5.75
3	Contribution to VIVA Charitable Trust for carrying out animal welfare activity being protection, safety and rehabilitation of rescue dogs	Animal Welfare	Kathwada Ahmedabad, Ahmedabad City	5.50	5.00	5.00	5.00
				16.00	15.49	15.49	15.49

Note : The amounts as mentioned at point no.1 and 2 was spent directly by the Company. The amount as mentioned at point no.3 of ₹.5.00 lakhs was given by the company to Viva Charitable Trust which has created facilities by way of construction of required premises for keeping of rescue animal, their cages etc. and for providing medical facilities, food etc. to the animals so saved. The company has received the compete account of the amount spent by the Viva Charitable Trust on the aforesaid CSR activity.

Reasons for lower than stipulated amount spent on CSR Activities : Not Applicable as the company has spent more than the amount required to be spent on the CSR activities.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sayaji Industries Limited
P.O. Kathwada, Maize Products
Ahmedabad-382430

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sayaji Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Sayaji Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sayaji Industries Limited** ("The Company") for the financial year ended on **31.03.2018** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **-Not Applicable during the period**

  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **-Not Applicable during the period**

  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and; **Not Applicable during the period**

  i) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009;

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

The adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the period under review all the decisions in the board meetings were carried out unanimously in compliance with the provisions of the Act.

I have relied on the representation made by the company, its officers and reports of the statutory auditor for system and mechanism framed by the company for compliances under other Acts, Laws and Regulations applicable to the company as listed in Annexure I.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. (As mentioned above and listed in Annexure I)

I further report that during the audit period, there were no specific event/instances having major bearing on the company's affair.

Place: AHMEDABAD **AMRISH GANDHI**

Date: May 16, 2018 FCS-8193, C.P.NO.5656

ANNEXURE I

Laws applicable to the Company

a. Ozone Depleting Substances (Regulations) Rules, 2000.

b. The Indian Boiler Act, 1923(Amended 1960)

c. The Chemical Accidents (emergency planning, preparedness and response) Rules, 1996.

d. Food Safety and Standard, Act, 2006

And also the following laws with its regulations:

(i) Employees Provident Fund and Miscellaneous Provisions Act, 1952

(ii) Employees State Insurance Act, 1948

(iii) Employers Liability Act, 1938

(iv) Environment Protection Act, 1986 and other environmental laws

(v) Equal Remuneration Act, 1976

(vi) Factories Act, 1948

(vii) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

(viii) Indian Contract Act, 1872

(ix) Income Tax Act, 1961 and Indirect Tax Laws

(x) Central Excise and Sault Act

(xi) Indian Stamp Act, 1899

(xii) Industrial Dispute Act, 1947

(xiii) Maternity Benefit Act, 1961

(xiv) Minimum Wages Act, 1948

(xv) Negotiable Instrument Act, 1881

(xvi) Payment of Bonus Act, 1965

(xvii) Payment of Gratuity Act, 1972

(xviii) Payment of Wages Act, 1936 and other applicable Labour laws

ANNEXURE - 5

Information under Rule 8 (3) of Companies (Accounts) Rules 2015 and forming part of the directors' report for the year ended 31st March, 2018.

A. Conservation of energy

[i] Steps taken or impact on conservation of energy:

1. There has been further improvement in the working of wet milling plant and its machineries during the year under review as a result of which the utilization of power for every tone of grinding has reduced substantially which has resulted into power savings.
2. There has been overall improvement in operation and optimum utilization of equipment of the company which has resulted into reduction in steam utilization ratios as compared to previous year, which in turn has resulted into reduction of energy cost.
3. There has been improvement in condensate recovery in various department as a result of which more condensate was sent back to boiler as compared to previous year.
4. During the year under review variable frequency drive (VFD) were installed on vapor exhaust fan of germ dryers which has resulted in savings of power.

[ii] Steps taken by the company for utilizing alternate sources of energy:

The company has achieved highest corn grind during the year under review as compared to previous years. To meet the power required for the higher grind, the company has been able to generate more power through its biogas engine and turbine utilizing lignite and coal which was possible due to optimization of various systems and efficient operation of both power generating plants. This has resulted into better power generation in company's own power generating plants and lesser reliance on the bought out energy.

[iii] Capital investment on energy conservation equipments and proposals, if any, being implemented for reduction of consumption of energy :

1. The company has installed new oil expeller for expelling germs which is a energy efficient equipment in place of the old oil expeller in the maize oil section. This has resulted into savings of power.
2. New quadruple effect evaporator has been installed by the company in place of triple effect evaporator due to which the company has been able to reduce consumption of steam substantially.

B. Technology absorption, adaptation & innovation

[i] Efforts, in brief, made towards technology absorption.

1. Efforts were made for optimization of systems in all the plants and equipment of the company which has resulted into highest grind and higher production of all major products.

[ii] Benefits derived as a result of the above efforts:

1. As a result of optimization of systems and efficient utilization of all the equipment in all the plants of the company the company has been able to achieve highest grind and higher production of all the products at a lower manufacturing cost.

[iii] 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:	The company continued its technical assistance agreements with SIGMA & Tate & Lyle till the year 2016-17. Both had shared 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:	—

[iv] Research and development (R & D):

The company has developed modified starch for food application, single shot textile sizing starch and new grade of sorbitol which has substituted imported starch and polyol and has opened a new market segment for the company. The company is continuing its research to increase range of polyol, develop cold water soluble starch for different applications and also develop high degree substituted cationic starch for paper application. The company has incurred expenditure of ₹ 8.75 Lakhs on R & D activities.

CORPORATE GOVERNANCE REPORT

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

Sayaji Industries Limited continues to follow good corporate governance practices 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 more than 77 years with its journey of efficient industrial entrepreneurship. Company is in continued compliance with guideline of corporate governance since many years as stipulated in Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

Above all, we believe that corporate governance must balance individual interest with corporate goals and operate within accepted norms of propriety, equity, fair play, sense of responsibility & justice. Achieving this balance depends upon how accountable and transparent the company is. Accountability improves decision making. Transparency helps to explain the rationale behind decisions and thereby builds stakeholders' confidence.

BOARD OF DIRECTORS

BOARD MEETINGS

The board of directors presently comprises of eight directors out of which three are executive directors and five 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 2017-18 seven Board meetings were held on 21.04.2017, 26.05.2017, 18.06.2017, 28.07.2017, 01.09.2017, 14.12.2017 and 10.02.2018. A meeting of Independent directors of the company was also held on 26.03.2018.

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	Inter-se relationship
Mr. Priyam B. Mehta	00030933	Executive-Chairman & managing director	7	3	Yes	–	Related to Mrs. Sujata Mehta, Mr. Varun Mehta & Mr. Vishal Mehta
Mr. Varun P. Mehta	00900734	Executive director	7	3	Yes	–	Related to Mr. Priyam Mehta, Mrs. Sujata Mehta & Mr. Vishal Mehta
Mr. Vishal P. Mehta	02690946	Executive director	6	3	No	–	Related to Mr. Priyam Mehta, Mrs. Sujata Mehta & Mr. Varun Mehta
CA Mahendra N. Shah	00021194	Non executive -Independent director	7	–	Yes	400	Related to CA Chirag M Shah
Dr. Janak D. Desai	02565216	Non executive -Independent director	6	–	No	480	Not Related to any director
Dr. Gaurang K. Dalal	00040924	Non executive -Independent director	7	1	No	400	Not Related to any director
CA Chirag M. Shah	00021298	Non executive -Independent director	7	–	Yes	440	Related to CA Mahendra N Shah
Mrs. Sujata P. Mehta	00037746	Non executive	7	–	Yes	–	Related to Mr. Priyam Mehta, Mr. Varun Mehta & Mr. Vishal Mehta

- None of the directors except Dr. Gaurang K Dalal of the company holds any membership/ chairmanship in board committees of other companies.
- The meeting of the independent directors of the company was held on March 26, 2018 at Ten11, Near Union Bank of India, C G Road, Ahmedabad - 380006. The directors of the company were familiarized with the production processes of the company, the new products developed and introduced in the market by the company, the new equipments installed by the company, the new activities initiated, company's clients in India and overseas. The independent directors of the company have been with the company for a sufficiently long period of time to be appraised of the company's working and its culture. The company however, also organized for the familiarization programs for the directors in earlier years and the web link where details of familiarization programs imparted to independent directors is https://www.sayajigroup.in/wp-content/uploads/2018/05/Independent-directors-familiarization-program-2017-18.pdf.
- All the information required to be furnished to the board of directors as per regulation 17 (7) of part (A) of Schedule II of SEBI (LODR) Regulations 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, corporate social responsibility committee, annual operating plans and budgets and updates thereof, quarterly results, 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 four directors. CA Chirag M. Shah is the chairman of the committee and Mr. Priyam B. Mehta, CA Mahendra N. Shah and Dr. Gaurang K. Dalal are members of the committee. During the year four audit committee meetings were held on 26.05.2017, 01.09.2017, 14.12.2017 and 10.02.2018.The audit committee at the board level acts as a link between the independent auditors, internal auditors, the management and the board of directors and oversees the financial reporting process. The audit committee interacts with the internal auditors, independent auditors, secretarial auditors and cost auditors and reviews and recommends their appointment and remuneration. The audit committee is provided with all necessary assistance and information to enable it to carry out its functions effectively.

In general the audit committee reviews the audit and internal control procedures, accounting policies and the company's financial reporting process and ensures that the financial statements are correct, sufficient and credible and exercises the powers as recommended from time to time by SEBI, stock exchanges and/or under the Companies Act, 2013. Further audit committee also reviews the following information mandatorily:

1. Management discussion and analysis of financial conditions and results of operations.
2. Statement of significant related party transactions submitted by the management.
3. Management letters/ letters of internal control weaknesses if any, issued by the statutory auditors.
4. Internal audit report relating to internal control weaknesses if any, and implementation of action points arising therefrom.
5. The recommendation of appointment, remuneration and terms of appointment of auditors of the company.
6. Review and monitor the auditors' independence and performance and effectiveness of audit process.
7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
8. Appointment, removal and terms of remuneration of the internal auditors.
9. Quarterly and annual financial statements
10. Risk assessment and minimization procedures.
11. Matters required to be included in the director's responsibility statement to be included in the board report in terms of section 134 of the Act.
12. Changes, if any, in accounting policies and practices and reason for the same.
13. Major accounting entries involving estimates based on the exercise of judgment by the management.
14. Significant adjustments made in the financial statements arising out of audit findings.
15. Compliance with listing and other legal requirements relating to financial statements.
16. Qualifications, if any, in the draft audit report.
17. Scrutiny of inter-corporate loans and investments.
18. Evaluation of internal financial controls.
19. Reviewing the findings of any internal investigations, if any, by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
20. Reviewing functioning of whistle blower mechanism.
21. Carrying out any other function as mentioned in the terms of reference of audit committee.

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
Dr. Gaurang K. Dalal	Member	Non-executive – independent	4
CA Mahendra N. Shah	Member	Non-executive – independent	4
Mr. Priyam B. Mehta	Member	Executive – promoter	4

The sr. executive vice president (finance) and the sr. executive vice president (accounts) are permanent invitees to the audit committee meetings. The company secretary acts as secretary to the audit committee. The chairman of the audit committee was also present at the 76th annual general meeting of the company held on 28th July, 2017.

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 Companies Act, 2013 and relevant schedules under the said Act. 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 recommend the same to the board and (b) identification of persons who are qualified to become directors and who may be appointed in senior management cadre 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 of the company.

During the year 2017-18, meetings of nomination and remuneration committee were held on 26.05.2017, 01.09.2017 and 14.12.2017. CA Mahendra N. Shah, CA Chirag M. Shah and Dr. Janak D. Desai attended all the aforesaid meetings.

Details of remuneration paid to directors:

(₹ in Lakhs)

Name of director	Salary	Perquisites	Sitting fees for attending meeting of board of directors and committee meetings
Mr. Priyam B. Mehta	96.00	21.26	Nil
Mr. Varun P. Mehta	96.00	23.90	Nil
Mr. Vishal P. Mehta	96.00	18.60	Nil
CA Mahendra N. Shah	-	-	2.66
Dr. Janak D. Desai	-	-	2.21
Dr. Gaurang K. Dalal	-	-	2.70
CA Chirag M. Shah	-	-	2.48
Mrs. Sujata P. Mehta	-	-	2.07

SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION:

As per provisions of the Companies Act, 2013 and as provided in Regulation 17 of SEBI (LODR) Regulations, 2015 as amended from time to time, the company has appointed independent directors for the period of five years at its 73rd Annual General Meeting. All the independent directors of the company are highly qualified and are experts in their respective filed. They actively take part in the discussions at the board meetings and provide valuable independent inputs which enable board of directors of the company to take informed decisions on issues discussed at the meetings.

In case of appointment of new independent directors, the board and the independent directors shall satisfy itself with regard to independent nature of the director vis-a-vis the company so as to enable the board to discharge its functions and duties effectively. It will also be ensured that the candidate identified for appointment as a director is not disqualified for appointment under section 164 of the Companies Act, 2013. The board and independent directors shall consider the attributes/ criteria like qualification, expertise and experience of the director in his respective field, personal, professional or business standing, and diversity of the board etc. and in case of reappointment of non executive director, the board shall take into consideration the performance evaluation of the director and his engagement level.

The non executive directors are entitled to receive sitting fees for each meeting of the board and committee attended by him of such sum as may be approved by the board within overall limits prescribed under the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Presently the company has three executive directors. Mr. Priyam B. Mehta is the chairman and managing director of the company and looks after the day-to-day management of the company and the domestic and international sales of the company. He has been with the company more than three decades and has been instrumental in the progress of the company since the management of the company was taken over by him with his late father Mr. Bipin V. Mehta. The company has been one of the largest exporters in the corn wet milling industry and has been able to maintain its existing international market and has added new markets for its products due to sincere and dedicated efforts on the part of Mr. Priyam Mehta. Mr. Varun P. Mehta is the Executive Director of the company and he is looking after the all important functions like H R, finance and plant operations. Mr. Vishal P. Mehta is also the executive director of the company and is looking after the functions like production, purchase and plant operations since then. There has been a substantial increase in the turnover and profitability of the company due to efforts on the part of the managing director and executive directors of company.

At the time of appointment or re-appointment, the executive directors shall be paid remuneration as agreed between the company (which includes nomination and remuneration committee and the board of directors) and the executive directors within the overall limits prescribed under the Companies Act, 2013 and Schedule V to the Act. The remuneration shall be subject to the approval of the members of the company in general meeting and subject to approval of Central Government, if required.

The remuneration of the executive directors comprises only of fixed component. The fixed components comprise salary, allowances, amenities and other benefits.

PERFORMANCE EVALUATION POLICY

The company has adopted performance evaluation policy for evaluation of performance of its directors and the board of directors itself. The board of directors has carried out the annual performance evaluation of its own performance, the directors individually as well as the evaluation of performance of its audit committee, nomination and remuneration committee, CSR committee and stakeholders relationship committee. A structured questionnaire was prepared after taking into consideration various aspects of the board's functioning such as effectiveness in decision making, effectiveness in developing corporate governance structure, effectiveness in providing suggestions and advices to the management, creation of environment for open discussion and meaningful participation at the meetings, effectiveness in considering the reports and financial statements of the company and efforts for improvement in the same etc.

A separate exercise was carried out to evaluate the performance of the individual directors including the chairman and managing director who were evaluated on the parameters like leadership initiatives, new ideas suggestions and planning, effectiveness in decision making, compliance with policies of the company, its code and ethics, timely inputs on minutes etc. The performance evaluation of independent directors was carried out by the board. The performance evaluation of executive directors and non independent director was carried out by the independent directors. The directors expressed their satisfaction with the evaluation process.

INDEPENDENT DIRECTORS MEETING

The meeting of independent directors of the company was held on 26th March, 2018 wherein the independent directors of the company were informed in detail about the business of the company, the new products manufactured and introduced in the market by the company, the production processes and clients of the company. The independent directors of the company were also enlightened of their roles, functions and duties keeping in mind the provisions of the Companies Act, 2013. The independent directors at the meeting reviewed the performance of the non independent directors and the board of directors based on the parameters as discussed above in performance evaluation policy of the company.

RISK MANAGEMENT

The company has identified the risks associated with the business of the company and has taken measures to minimize the same and the details, if required are presented to and discussed at the board meeting. The risk management issues are discussed in the management discussion and analysis report.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The terms of reference of the committee include the issues concerning resolving 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 2017-18, meetings of stakeholders relationship committee were held on 26.05.2017, 01.09.2017, 14.12.2017 and 10.02.2018. CA Mahendra N. Shah, Dr. Gaurang K. Dalal and Mr. Varun P. Mehta attended all the meetings of the committee. Mr. Vishal P. Mehta attended all the meetings of the committee except the meeting held on 14.12.2017.

Number of investor complaints received, solved and pending during the period from 1.4.2017 to 31.3.2018

Nature of complaints	Received	Solved	Pending
Non receipt of securities/complaint relating to transfer of shares	62	62	0
Non receipt of dividend warrants	41	41	0
Correction of names on securities	4	4	0
Clarification regarding shares	72	72	0

CORPORATE SOCIAL RESPONSIBILITY COMMIITTEE:

Pursuant to Section 135 of the Companies Act, 2013, the company has constituted corporate social responsibility committee, inter alia, to formulate and recommend to the board of directors, a corporate social responsibility (CSR) policy indicating activities to be undertaken by the company in compliance with provisions of the Companies Act, 2013 and rules made thereunder, to recommend the amount of expenditure to be incurred on the CSR activities and to monitor the implementation of the CSR Policy of the company from time to time.

The members of company's corporate social responsibility committee are Mr. Varun P. Mehta - chairman, Dr. Gaurang K. Dalal- member, Dr. Janak D Desai - member and Mrs. Sujata P. Mehta- member. During the year 2017-18, meetings of corporate social responsibility were held on 26.05.2017, 01.09.2017, 14.12.2017 and 10.02.2018. All the members of corporate social responsibility committee attended all the meetings of the committee.

Secretary of the company acts as the secretary of the corporate social responsibility committee.

WHISTLE BLOWER POLICY

The company has in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to the notified persons. The reports received from any employees will be reviewed by the audit committee. It is affirmed that no person was denied access to the audit committee in this respect. The directors and senior management are required to maintain confidentiality of such reporting and ensure that whistle blowers are not subject to any discriminatory practice.

GENERAL BODY MEETING

Location and time for the last three Annual General Meetings

Year ended	Date	Time	Venue	No. of special resolutions passed
31st March, 2017	28th July 2017	9.30 a,m.	Banquet Hall, The Grand Vinayak Hotel, S.O. Ring Road, Odhav Circle, Odhav, Ahmedabad – 382410	3
31st March, 2016	13th September 2016	9.00 a.m.	Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad - 382430.	2
31st March, 2015	13th August, 2015	9.00 a.m.	Bhuriba Lallubhai Mehta Primary School, P.O. Kathwada, Maize Products, Ahmedabad - 382430.	1

SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT

During the year under review, the company passed four resolutions through postal ballot. The said resolutions include special business for obtaining approval of the shareholders for sub-division of existing one equity share of ₹.100/- each into ten equity shares of ₹.10/- per share, increase in the authorised capital of the company from present ₹. 2 Crore comprising of 2,00,000 shares of ₹.100/- each to ₹.5 Crore comprising of 50,00,000 shares of ₹.10/- each, consequential amendment to capital clause of memorandum of association of the company and for issuance of three bonus equity shares of ₹.10/- each for every one equity share of ₹.10/- held by the shareholders of the company.

The Board had appointed Mr. Niraj Trivedi, practicing company secretary as a scrutinizer to ensure that the postal ballot process is conducted in a fair and transparent manner. The members of the company had the option to vote either through postal ballot or through the e-voting facility and casted their votes through Karvy e-voting platform. The details of voting pattern in respect fo the resolutions passed through the postal ballot are as given below :

Resolution	Total valid votes	Votes with Assent	Percentage (Approx.)
1. Ordinary Resolution for sub-division of equity shares of the company	60189	60189	100.00
2. Ordinary Resolution for increase in the Authorized capital of the company	60185	60182	99.99
3. Special Resolution for alteration of capital clause of Memorandum of Association of the company	60173	60169	99.99
4. Ordinary Resolution for issuance of bonus shares by way of capitalization of reserves	60198	60198	100.00

There are no Special Resolution requiring postal ballot is being proposed for the ensuing Annual General Meeting.

DISCLOSURES

Disclosures on materially significant related party transactions, i.e. transactions of the company of material nature, with its promoters, the directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large :

All transactions with related parties are in the ordinary course of business and at arm's length. The company has not entered into any transactions of a material nature with any related parties which are in conflict with the interest of the company. The details of related party transactions are also disclosed in the note 29 to accounts in this annual report. web link where policy on dealing with related party transactions is https://www.sayajigroup.in/wp-content/uploads/2016/06/Related-party-transaction-policy.pdf

The detail of subsidiaries and associated company are given in the report of board of directors. The company has not advanced any loans or advances in the nature of loans to its subsidiaries or to associate company or to any other firms/ companies in which directors are interested except as given in the annual report. The company is not a subsidiary of any company.

Compliance with accounting standards

In the preparation of financial statements there is no deviation from the prescribed accounting standards.

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 compliant to that effect is attached to this report.

Compliance with corporate governance requirements

The company has complied with corporate governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.sayajigroup.in 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 : Friday 10th August, 2018

Time : 9.00 a.m.

Venue : Banquet Hall, The Grand Vinayak Hotel, S.P. Ring Road Odhav Circle, Odhav, Ahmedabad- 382410.

Financial calendar (tentative)

Financial year : April-March

First quarter results : 2nd week of August, 2018

Half yearly results : 2nd week of November, 2018

Third quarter results : 2nd week of February, 2019

Fourth quarter/ annual results : 2nd/3rd week/ end of May, 2019

Book closure date : Saturday, the, 4th August, 2018 to Friday, the 10th August, 2018 (both days inclusive).

Dividend payment Date : 20th August, 2018

Listing in stock exchange(s)

Company's shares are listed at BSE Limited located at P J Towers, Dalal Street, Mumbai- 400001 and The Calcutta Stock Exchange Limited located at 7 Lyons Range, Delhousie, Kolkata - 700001.

Notes regarding payment of annual listing fees

The annual listing fee for the year 2018-19 has been already paid by the company to The BSE Limited and The Calcutta Stock Exchange Limited.

Stock code at The BSE Limited: 540728

Stock code at The Calcutta Stock Exchange Limited: 030025

ISIN with NSDL and CDSL : INE327G01024

CIN: L99999GJ1941PLC000471

MARKET PRICE DATA AND STOCK PERFORMANCE :

There is no trading in the equity shares of the company at the Calcutta Stock Exchange Limited. The equity shares of the company are listed at the BSE Limited with effect from 9/10/2017 and the market price data and volume of the company's share traded in the BSE Limited from October 2017 to March 2018 were as under.

	Share Price BSE		BSE Sensex		Volume
Month	High ₹	Low ₹	High	Low	No. of Shares
Oct. 17	374.45	208.60	33340.17	31440.48	2753
Nov. 17	374.45	374.45	34137.97	32565.16	835
Dec. 17	374.45	374.45	36443.98	33703.37	455
Jan. 18	393.15	512.45	36256.83	33482.81	4740
Feb. 18	491.00	512.45	34278.63	32483.84	6200
Mar. 18	512.40	512.45	34177.44	32972.56	5095

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
e-mail : rhs@sayajigroup.in

Registrar and transfer agents

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District,
Nanakramguda, Hyderabad - 500008
Phone No : 040-44655000/040-44655188
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 31st March, 2018:

Sr. No.	Category	No. of shares held	% of total shareholding
1	Promoters	2369240	74.98
2	Mutual fund	0	0.00
3	Banks, financial institutions, insurance companies	560	0.02
4	Foreign institutional investors	0	0.00
5	Private bodies corporate	3497	0.11
6	Indian Public	786463	24.88
7	NRIs/ OCBs	240	0.01
8	GDR/ ADR	0	0.00
	Grand total	3160000	100.00

Distribution of shareholding as on 31st March, 2018

Sr No.	Category	Cases	% of Cases	Amount	% Amount
1	upto 1 - 5000	3566	94.09	3641450.00	11.52
2	5001 - 10000	132	3.48	952480.00	3.01
3	10001 - 20000	50	1.32	729710.00	2.31
4	20001 - 30000	14	0.37	356960.00	1.13
5	30001 - 40000	1	0.03	38800.00	0.12
6	40001 - 50000	4	0.11	178000.00	0.56
7	50001 - 100000	4	0.11	279800.00	0.89
8	100001 & ABOVE	19	0.50	25422800.00	80.45
	Total:	3790	100.00	31600000.00	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. 2704940 equity shares being 85.60% 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 conditions of Corporate Governance by **SAYAJI INDUSTRIES LIMITED** ("the Company") for the year ended on March 31,2018 as stipulated in Regulation 17 to 27 & 23(4), of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from April 1, 2017 to March 31, 2018.

1. The compliance of conditions of Corporate Governance is the responsibility of the Management; our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations made by the Directors and the Management , we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C,D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under the paragraph 1 above, during the year ended on March 31, 2018.
3. In our opinion and to the best of our information and according to the explanations give to us, we certify that the Company has complied with the conditions of the corporate Governance as stipulated in the SEBI Listing Regulations, 2015.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Amrish N. Gandhi
Practicing Company Secretary
Membership No. F8193
Certificate of Practice No.: 5656

Place: Ahmedabad
Date: May 16, 2018

To,
The Shareholders
Sayaji Industries Limited

Declaration by the chairman & managing director Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 31st March, 2018.

Priyam B. Mehta
Chairman & Managing Director

Place : Ahmedabad.
Date : May 16, 2018

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 31st March, 2018 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 for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and audit committee, deficiencies in the design or the operation of such internal controls, if any, of which we are aware, and the steps we have taken or propose to take 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 significant fraud of which we have become aware involving either the management or employee having a significant role in the company's internal control systems over financial reporting.

N J Deora	**Priyam B. Mehta**
Sr. Exe. VP Accounts	Chairman & Managing Director

Place : Ahmedabad
Date: May 16, 2018

Form AOC-I (Part "A": Subsidiaries)

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with the rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries

Notes The consolidated financial statements for the year ended 31st March, 2018

(Amount in ₹)

Sr. No	Particulars	Sayaji Seeds LLP	Sayaji Corn products Ltd	Sayaji Ingritech LLP
1	Share Capital/ Contribution to Capital	20023582/-	5,00,000/-	2,38,16,544/-
2	Reserves & Surplus (Including Debit balance in the Statement of Profit and Loss)	–	–	–
3	Total Assets	7,33,13,626/-	4,99,941/-	11,15,71,035/-
4	Total Liabilities	7,33,13,626/-	4,99,941/-	11,15,71,035/-
5	Investments	–	–	
6	Turnover	4,28,72,760/-	–	2,44,77,819/-
7	Profit/(Loss) Before Tax	1,32,315/-	(8359)/-	(53,04,645)/-
8	Provision for Tax (Including Deferred Tax)	(1956)/-	–	(17,19,970)/-
9	Profit/(Loss) After Tax	1,34,271/-	–	(3584675)/-
10	Proposed Dividend	–	–	---
11	% of Shareholding	89.86%	99.99%	75.99%

*Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014

Note : Sayaji Corn Products Ltd. is yet to commence its operations.

(Part "B": Associates and Joint Ventures)

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Venture

(Amount in ₹)

Sr. No	Particulars	Sayaji Sethness Limited (Joint Venture)
1	Latest Audited Balance Sheet Date	31/03/2018
2	Shares of Associate/ Joint Venture held by the Company on the year end	
	No. of equity shares	12,00,000 of equity shares of ₹.10/- each
	Amount of Investment in Associate/ Joint Venture	₹.1,20,00,000/-
	Extent of holding in percentage	40%
3	Description of how there is significant influence	The company has invested in the capital of the joint venture to the extent of 40%.
4	Reason why the associate/ joint venture is not consolidated	Not Applicable as the consolidation has been done
5	Net worth attributable to shareholding as per latest audited balance sheet	₹ 8,35,25,820/-
6	Profit/ Loss for the year	₹ 3,53,93,987/-
i	Considered in consolidation	₹ 1,41,57,595/-
ii	Not considered in consolidation	–

There are no associates or joint ventures which are yet to commence operations. There are no associates or joint ventures which are liquidated or sold during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Your directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2018.

INDIAN ECONOMY

During FY 15-18, India's Gross Domestic Product (GDP) growth has averaged 7.3%, highest amongst the major economies of the world. The growth has been achieved in an environment of low inflation, improved current account balance and notable reduction in fiscal deficit to GDP ratio which makes it more creditable. After registering GDP growth of over 715 for the third year in succession in FY 17, the Indian economy headed for a slower growth at 6.5 – 6.75% in FY 18. The slowdown in growth rate could be credited to subdued growth in agriculture and allied and industry sections coupled with temporary disruptions caused by the implementation of the Goods and Service Tax (GST).

Favourable indicators such as moderate levels of inflation, anticipated growth of industrial sector, expectation of greater stability in GST, expected recovery in investment levels and ongoing structural reforms could propel India's economy to grow at an accelerated pace. Furthermore, expected growth in global economy in 2018 could also provide and impetus to India's exports, which has already shown acceleration in the current financial year. However, the growth could be impacted by the increase in the crude oil prices along with protectionist tendencies in some of the countries. Considering the growth potential and downside risks, the government expects India's GDP to expand at a growth rate between 7.0 - 7.5% during the FY 2018-19.

The government of India's steps like Bank recapitalization scheme to infuse INR 1 lakh crore in the public sector banks, expanding road network, improving business ecosystem and effective implementation of GST is expected to stimulate the growth of Indian economy in the years to come.

STARCH INDUSTRY – AN OVERVIEW

GLOBAL STARCH MARKET

Despite the various technological developments around the world, starch continues to be a major building block in modern societies and its use continues to expand in areas with strong economic growth. Starch derivatives including glucose syrup and HFCS are used widely across many industries. After facing a slow-down following the global financial collapse in 2008, the starch industry has performed well in the last 7 to 8 years and the production of primary starch increased from 62 mn tons in 2009-10 to 75.2 mn tons in 2014-15. Much of this growth continues to come from China and the other rapidly developing economies in Asia and MEA regions, whereas in the more traditional western starch markets, the demand has been slowing down and is more closely following population dynamics. It is this difference in the growth dynamics that has been the determining factor for the changing face of starch business over the last many years. While agricultural policy changes and shifting barriers to trade are often perceived to be factors of change in the business, they tend to be of secondary importance since they are often an attempt to protect local interests from the pressures in supply/demand that are brought about these differences in growth patterns.

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.

The high output of maize, which has high starch content, is one of the prominent factors driving growth of the global corn starch market. At the same time, the growing numbers of substitutes such as tapioca are restraining the growth of the global corn starch market to a certain degree.

On the basis of geography, North America is the largest market for corn starch, in terms of both value and volume. However, the corn starch market in Asia Pacific is anticipated to expand at the highest CAGR of 6.4% over the forecast period. Demand for corn starch is increasing in Asia Pacific, especially in China, and India, where prominent corn starch manufacturers have invested significantly in the recent past.

INDIAN STARCH SCENARIO

Indian starches and derivatives market scenario has witnessed significant changes in the last few years. The industry looks promising with many large players investing in quality of starches and derivatives.

Maize being an agro based commodity, the production and prices of the same is largely dependent on the monsoon in India. With normal monsoon forecast for the year 2018 across India, the same is expected to positively impact the farm production including the maize which may again be good news for industries depending on farm products.

The demand for starches and derivatives looks very promising in India as all the major user segments of starches and derivaties are showing near double digit growth in their production. The major users of starches and derivatives are food, textile, paper, FMCG and pharma sectors. Huge growth is expected in textile sector in the years to come. Starch is an important raw material for the textile industry, with applications in sizing, finishing and printing. Approx. 80% of the starch used in textiles is in sizing and major quantity of starches are used in garment finishing. Paper industry is considered as one of the fastest growing markets in India and paper is one of the key segments with industrial starches and cardboard paper using significant quantities of primary and modified starches, actively and in processing. With increasing capacities for paper production, the demand for native as well as modified starches is expected to grow in future due to their wide usage and lack of low cost substitutes. The demand for native and modified starches in the pharmaceutical industry is forecast to grow at a promising rate of 8% p.a. as the pharma sector is growing at a healthy rate. The Indian food processing industry is one of the most prosperous sectors in India in the coming years. The food processing industry contributes 32% of the total value of the food market in India and is currently growing at 10% p.a. This sector is identified as one of the priority sectors by the Government of India under the national manufacturing policy. The demand for starch in food is increasing by 2015 with frozen food being the dominating segment. The use of starch in noodles and soups is also increasing. Use of starch in masala is also a key contributor. All this is expected to affect starch demand positively.

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. This in turn 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. 18.16% 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 now consistently grinding around 675 tons/ day and further 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 slowdown 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 is also buying power in the open market to reduce the power 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 continued generating electricity from the biogas processed 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 presently grinding approx. 675/ day on a consistent basis and is further planning to increase its activity over the time to come and utilize such increased facility for production of high margin products.

A) STANDALONE BASIS

During the year under review, the revenue from operations of your company increased by 4.34% to ₹.58688.54 lakhs as against ₹.56249.60 lakhs in the previous year. There has been increase in the profitability of the company due to reduction in price of maize, improved maize grinding and improved performance of utility coupled with better product mix, improved technical parameters and application of stringent cost cutting measures. The operating profit of the company is ₹.2893.13 lakhs as against ₹.2555.44 lakhs in the previous year. The gross profit of the company stands at. ₹.1713.72 lakhs as against. ₹.1414.12 lakhs in the previous year. During the year under review, the profit before tax of the company is ₹.896.44 lakhs as against ₹.548.51 lakhs in the previous year and the net profit after tax is ₹.542.93 lakhs as against ₹.393.25 lakhs in the previous year. The maize grinding activity of the company also increased as compared to previous year.

Export turnover of the company during the year under review is ₹.10659.60 Lakhs as against ₹ 9351.84 lakhs in the previous year due to recession in the global market. The company, however, is the one of the bigger exporters 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 22000:2005 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 and expectation of improved demand for the products of the company due to increased agricultural output and lower maize prices, it is projected that the operating efficiency of the company may further improve resulting into enhanced top line and bottom line in the years to come.

B) COSOLIDATED BASIS :

The company has recorded total income of ₹.59694.12 lakhs as against ₹.56827.51 in the previous year. The Gross Profit of the Company stands at. ₹.1710.77 lakhs as against. ₹.1415.37 lakhs in the previous year. During the year under review, the profit before tax of the company stood at ₹.1000.51 lakhs as against ₹ 672.77 lakhs in the previous year and the net profit after tax was ₹.664.08 lakhs as against ₹ 517.06 lakhs in the previous year. The consolidated financial statements of the company for the financial year 2017-18 have been prepared in compliance with applicable accounting standards and where applicable in compliance with Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The company has a proper and adequate internal finance control system to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The internal control is exercised through documented policies, guidelines and procedures. It is supplemented through documented policies, guidelines and procedures. It is supplemented by an extensive program of internal audit conducted by 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 audit observations and corrective action taken thereon are periodically reviewed by the audit committee to ensure effectiveness of the internal control system. 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 in place to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of persons.

COMPANY PERFORMANCE AND ANALYSIS

- There has been an increase in the activity of the company during the year under review as compared to previous year.
- Export of the company has been ₹.10659.60 lakhs during the year under review.
- Profitability of the company improved during the year under review with increased grinding, application of stringent cost cutting measures, increased productivity from debottlenecking, automation and better product mix.
- The credit period has been low 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 ₹ 17.18.

INDUSTRIAL RELATIONS

Industrial relations remain cordial. The company organizes regular training programs 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 Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **SAYAJI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive Income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules,2015 (as amended) under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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, of the state of affairs of the company as at 31st March, 2018, and its profit (including other comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

Attention is invited to Note 12 to the financial statement regarding ₹ 150.00 lakhs due from Yashwant Sahakari Glucose Karkhana Limited (YSGKL). The management of the company has considered this outstanding amount as good for realisation on the basis of post dated cheques received from YSGKL. Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April,2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by another auditor, whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 26th May,2017 and 30th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditors' Report) Order, 2017 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

a) We have sought and 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 aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) With respect to other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its standalone Ind AS financial position in its standalone Ind AS financial statements;

   ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the company.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
(FRN:113742W)
BHARAT A SHAH
Partner
(Membership Number: 030167)

Place : Ahmedabad
Date : May 16, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018:

1. In respect of its fixed assets:
   a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
   b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
2. As explained to us, physical verification of the inventories have been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. The discrepancies noticed on physical verification during the year have been properly dealt with in the books of accounts.
3. The company has not granted any loans, secured or unsecured to companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.
5. According to the information and explanations given to us, the company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2014(as amended). 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.
6. In respect of business activities of the Company, maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company and are of the opinion that prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made detailed examinations of the records with a view to determining whether they are accurate or complete.
7. a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, wealth tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable.
   b) According to the information and explanation given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, goods and service tax, excise duty and cess which have not been deposited on account of any dispute, except for the following:

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹. in Lakhs)	Amount Unpaid (₹. in Lakhs)
Income Tax Act, 1961	Income Tax	The commissioner of Income tax (Appeals)	A.Y. 2008-09, 2009-10, 2010-11, 2013-14, 2014-15	11.74	11.74
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal, Ahmedabad	A.Y 2011-12, 2012-13	4.42	4.42
The Gujarat VAT Act, 2006	Gujarat VAT	Honorable Gujarat Value Added tax Tribunal	F.Y 2010-11	9.03	6.22

8. Based on our audit procedures and as per the information and explanations given by the management, the company has not defaulted in repayment of loans or borrowings from banks, financial institution. Further, during the year under review, the company has not issued debentures; hence the question of reporting for default in repayment of debentures does not arise.
9. The company has not raised money by way of initial public offer or further public offer including debt instruments. However, as explained to us, the company has obtained loans from companies which have been utilised for the purpose for which

the same have been obtained.

10. There has been neither any fraud by the company nor any fraud on the company by its officers or employees has been noticed or reported during the period under review.

11. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. The Company has entered in to transactions with related parties in compliance with Sections 177 and 188 of Act. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the company.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the company.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
(FRN:113742W)
BHARAT A SHAH
Partner
(Membership Number: 030167)

Place : Ahmedabad
Date : May 16, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 2(f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the Ind AS financial statements of the Company for the year ended March 31, 2018.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of SAYAJI INDUSTRIES LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For SHAH & SHAH ASSOCIATES

Chartered Accountants

(FRN:113742W)

BHARAT A SHAH

Partner

(Membership Number: 030167)

Place : Ahmedabad

Date : May 16, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

		Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A	**ASSETS**				
1	**NON CURRENT ASSETS**				
	(a) Property, Plant and Equipment	6	**14,795.97**	13,200.93	12,900.49
	(b) Capital Work-in-Progress	6	**399.35**	265.89	158.04
	(c) Other Intangible Assets	7	**71.20**	90.25	109.30
	(d) Financial Assets				
	(i) Investment	8	**510.19**	227.50	139.14
	(ii) Other Financial Assets	11	**10.56**	8.11	8.35
	(e) Non Current Tax Assets	21	**108.78**	103.50	111.67
	(d) Other Non Current Assets	12	**195.28**	33.51	92.37
	TOTAL NON CURRENT ASSETS		**16,091.33**	13,929.69	13,519.36
2	**CURRENT ASSETS**				
	(a) Inventories	13	**3,744.67**	4,064.14	4,552.83
	(b) Financial Assets				
	(i) Trade Receivables	9	**3,590.75**	3,652.99	3,430.47
	(ii) Cash and Cash Equivalents	10	**75.30**	110.55	68.69
	(iii) Other Bank Balances	10	**224.45**	206.19	175.31
	(iv) Other Financial Assets	11	**157.67**	228.74	150.35
	(c) Other Current Assets	12	**385.49**	912.10	1,430.56
	TOTAL CURRENT ASSETS		**8,178.33**	9,174.71	9,808.21
	TOTAL ASSETS		**24,269.66**	23,104.40	23,327.57
B	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	14	**316.00**	79.00	79.00
	(b) Other Equity	15	**5,369.04**	5,205.73	4,931.33
	TOTAL EQUITY		**5,685.04**	5,284.73	5,010.33
	LIABILITIES				
2	**NON CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	16	**3,148.53**	3,178.34	3,855.88
	(ii) Other Financial Liabilities	18	**14.16**	13.12	19.76
	(b) Provisions	20	**330.01**	230.39	326.54
	(c) Deferred Tax Liabilities (Net)	21	**1,023.75**	836.33	825.26
	TOTAL NON CURRENT LIABILITIES		**4,516.45**	4,258.18	5,027.44
3	**CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	16	**6,850.81**	6,140.26	5,219.06
	(ii) Trade Payables	17	**3,428.60**	4,362.90	5,077.63
	(iii) Other Financial Liabilities	18	**2,272.68**	2,015.09	2,012.16
	(b) Other Current Liabilities	19	**1,168.98**	769.12	722.26
	(c) Provisions	20	**322.04**	234.39	243.27
	(d) Current Tax Liabilities (Net)	21	**25.06**	39.73	15.42
	TOTAL CURRENT LIABILITIES		**14,068.17**	13,561.49	13,289.80
	TOTAL LIABILITIES		**18,584.62**	17,819.67	18,317.24
	TOTAL EQUITY AND LIABILITIES		**24,269.66**	23,104.40	23,327.57

See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies) **1-45**

As per our attached report of even date

For, Shah & Shah Associates Chartered Accountants FRN : 113742W	**Priyam B. Mehta** Chairman & Managing Director	**Varun P. Mehta** Executive Director	**Vishal P. Mehta** Executive Director
Bharat A. Shah Partner Membership No. 030167	**CA Mahendra N. Shah** Director **CA Chirag M. Shah** Director	**Dr. Gaurang K. Dalal** Director **Sujata P. Mehta** Director	
Ahmedabad Date : May 16, 2018	**CA Narayansingh J. Deora** Sr. Executive V. P. (Accounts)	**Rajesh H. Shah** Company Secretary	Ahmedabad Date : May 16, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

		Note No.	For the year 2017-18	For the year 2016-17
INCOME				
1	Revenue from Operations	23	58,688.54	56,249.60
2	Other Income	24	333.68	521.93
3	**TOTAL INCOME**		59,022.22	56,771.53
4	**EXPENSES**			
	(a) Cost of Materials Consumed	25.a	34,928.11	33,717.40
	(b) Purchases of Stock-In-Trade	25.b	3.08	1.45
	(c) Changes in Inventories of Finished Goods and Work in Progress and Stock-In-Trade	25.c	232.14	(312.07)
	(d) Employee Benefit Expenses	26	5,545.98	4,339.20
	(e) Finance Costs	27	1,179.41	1,141.32
	(f) Excise Duty on Sales		743.13	3,157.30
	(g) Depreciation and Amortisation Expense	6-7	817.28	873.75
	(h) Other Expenses	28	14,676.65	13,312.81
5	**TOTAL EXPENSES**		58,125.78	56,231.16
6	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX**		896.44	540.37
7	**EXCEPTIONAL ITEMS (Refer Note No. 45)**		-	8.14
8	**PROFIT BEFORE TAX**		896.44	548.51
9	**TAX EXPENSE:**	21		
	(a) Current Tax		173.00	138.25
	(b) MAT credit recognised		(87.57)	(132.33)
	(c) Short/(Excess) provision of earlier years		0.16	5.95
	Net Current Tax Expenses		85.59	11.87
	(d) Deferred Tax		267.92	143.39
	Net Tax Expenses		353.51	155.26
10	**PROFIT AFTER TAX**		542.93	393.25
11	**OTHER COMPREHENSIVE INCOME**			
	(a) Item that will be reclassified to profit and loss account		-	-
	(b) Item that will not be reclassified to profit and loss account		-	-
12	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		542.93	393.25
13	**EARNING PER EQUITY SHARE**	39		
	(a) Basic		17.18	12.44
	(b) Diluted		17.18	12.44
See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies)		1-45		

As per our attached report of even date

For, Shah & Shah Associates Chartered Accountants FRN : 113742W	**Priyam B. Mehta** Chairman & Managing Director	**Varun P. Mehta** Executive Director	**Vishal P. Mehta** Executive Director
Bharat A. Shah Partner Membership No. 030167	**CA Mahendra N. Shah** Director **CA Chirag M. Shah** Director	**Dr. Gaurang K. Dalal** Director **Sujata P. Mehta** Director	
Ahmedabad Date : May 16, 2018	**CA Narayansingh J. Deora** Sr. Executive V. P. (Accounts)	**Rajesh H. Shah** Company Secretary	Ahmedabad Date : May 16, 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

		For the Year ended 31st March, 2018		For the Year ended 31st March, 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		**896.44**		548.51
	Adjustments for:				
	Depreciation and Amortisation	**817.28**		873.75	
	Interest Expenses	**1,179.41**		1,141.32	
	Dividend Income	**(60.04)**		(60.03)	
	Provision for Doubtful Advances	**-**		83.00	
	Provision for Doubtful Trade Receivable	**21.58**		76.52	
	Insurance Claim Received	**-**		(106.91)	
	(Profit)/Loss on sale of Fixed Assets	**9.59**		11.29	
	Investment Written off	**-**		0.35	
	MTM loss on Long Term Investment	**0.29**		(4.91)	
	MTM Gain of Derivative Financial Instruments	**(17.88)**		(154.57)	
	Share of Profit in LLP	**(1.21)**		-	
	Share of Loss in LLP	**27.24**		1.20	
	Unrealised Exchange fluctuation (Gain)/Loss	**(28.19)**		(9.86)	
			1,948.07		1,851.15
	Operating profit before working capital changes		**2,844.51**		2,399.66
	Adjustments for:				
	Trade and Other Receivables	**681.96**		222.70	
	Inventories	**319.47**		488.69	
	Trade and Other Payables	**(227.77)**		(913.55)	
			773.66		(202.16)
	Cash Generated From Operations		**3,618.17**		2,197.50
	Income Taxes paid		**(186.05)**		(111.71)
	Net Cash From Operating Activities		**3,432.12**		2,085.79
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(2,793.85)**		(1,238.84)	
	Sale of Fixed Assets	**97.39**		107.97	
	Purchase of Investments	**(309.00)**		(85.00)	
	Dividend Received	**60.04**		60.03	
	Interest Received	**14.36**			
	Cash & Cash Equivalent not considered as Cash & Cash Equivalent -Balance in Earmarked accounts	**(18.26)**		(30.88)	
	Net Cash From Investing Activities		**(2,949.32)**		(1,186.72)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Borrowings	**1,799.30**		1,134.37	
	Repayment of Loans	**(980.96)**		(734.94)	
	Interest Paid	**(1,193.77)**		(1,141.32)	
	Dividend & Tax thereon paid	**(142.62)**		(115.32)	
	Net Cash Generated in Financing Activities		**(518.05)**		(857.21)
	Net Changes in Cash & Cash Equivalents (A+B+C)		**(35.25)**		41.86
	Add: Cash and Cash Equivalents at the beginning of the year		**110.55**		68.69
	Cash and Cash Equivalents at the end of the year		**75.30**		110.55

Notes:

1. A) Components of cash & cash equivalents

	31st March, 2018	31st March, 2017
Cash on hand	**6.82**	21.46
Balance with banks		
- In Current Accounts	**68.48**	89.09
	75.30	110.55
B) Cash and cash equivalent not available for immediate use		
In Margin money and Fixed Deposit Accounts	**192.33**	178.56
Unclaimed Dividend Accounts	**32.12**	27.63
	224.45	206.19
Cash & Cash Equivalents as per Note 10 (A+B)	**299.75**	316.74

2. The above cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standards - 7 "Statement of Cash Flows".
3. Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.
4. The previous year's figures have been regrouped wherever necessary.

See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies) (Note 1-45)

As per our attached report of even date

For, Shah & Shah Associates	**Priyam B. Mehta**	**Varun P. Mehta**	**Vishal P. Mehta**
Chartered Accountants	Chairman & Managing Director	Executive Director	Executive Director
FRN : 113742W			
Bharat A. Shah	**CA Mahendra N. Shah**	**Dr. Gaurang K. Dalal**	
Partner	Director	Director	
Membership No. 030167	**CA Chirag M. Shah**	**Sujata P. Mehta**	
	Director	Director	
Ahmedabad	**CA Narayansingh J. Deora**	**Rajesh H. Shah**	Ahmedabad
Date : May 16, 2018	Sr. Executive V. P. (Accounts)	Company Secretary	Date : May 16, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31st MARCH, 2018

(₹ in Lakhs)

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2016	79.00
Changes in Equity share capital during the year	-
Balance as at March 31, 2017	**79.00**
Balance as at March 31, 2017	79.00
Changes in Equity share capital	
Issue of Bonus shares during the year	237.00
Balance as at March 31, 2018	**316.00**

B. Other equity (₹ In Lakhs)

Particulars	Attributable to the equity holders of the Company				
	Reserve and Surplus				Total
	Capital Redemption Reserve	General Reserve	Security premium	Retained Earnings	
Balance as at April 1, 2016	**53.59**	**3,715.15**	**275.50**	**887.09**	**4,931.33**
Profit for the year	-	-	-	393.25	393.25
Dividend including Dividend Distribution Tax				(118.85)	(118.85)
Balance as at March 31, 2017	**53.59**	**3,715.15**	**275.50**	**1,161.49**	**5,205.73**
Balance as at April 1, 2017	**53.59**	**3,715.15**	**275.50**	**1,161.49**	**5,205.73**
Profit for the year	-	-	-	542.93	**542.93**
Amount utilised for issue of Bonus Shares	(53.59)	-	(183.41)	-	**(237.00)**
Dividend including Dividend Distribution Tax	-	-	-	(142.62)	**(142.62)**
Balance as at March 31, 2018	**-**	**3,715.15**	**92.09**	**1,561.80**	**5,369.04**

Notes forming part of financial statements (including significant accounting policies) (Notes 1-45)

As per our attached report of even date

For, Shah & Shah Associates
Chartered Accountants
FRN : 113742W
Bharat A. Shah
Partner
Membership No. 030167

Ahmedabad
Date : May 16, 2018

Priyam B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

Vishal P. Mehta
Executive Director

CA Mahendra N. Shah
Director

Dr. Gaurang K. Dalal
Director

CA Chirag M. Shah
Director

Sujata P. Mehta
Director

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

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : May 16, 2018

Notes Forming Part of the Financial Statements

Note 1 : Corporate Information

The Standalone financial statements comprise of financial statements of Sayaji Industries Limited (the "Company") for the year ended March 31, 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE, a recognised Stock Exchange, in India. The registered office of the Company is located at Maize Products, P.O.Kathwada, Ahmedabad - 382430, India.

The Company is engaged in the business of manufacture of starches, modified starches as well as other derivatives like Liquid Glucose, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol and its bye-products like Maize Oil, Maize Gluten at Kathwada, Ahmedabad. The Company cater its product to Textile, Pharmaceutical, Food Processing, Paper & Packaging, Confectionary, Soaps & Detergent industries.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2018.

Note 2 : Basis of Preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Company's first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 'First time adoption of Indian Accounting Standards'. Reconciliations and descriptions of the effect of the transition have been summarized in Note 5.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs (Rupees 00,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Note 3 : Significant Accounting Policies and Key Accounting Estimates

(A) Significant Accounting Policies

1 Current / non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realised within twelve months after the reporting period; or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

a) expected to be settled in normal operating cycle;

b) held primarily for the purpose of trading;

c) due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing and their realisation in cash and cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2 Foreign Currencies

The Company's standalone financial statements are prepared in Indian Rupee which is the also the Company's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction, i.e. spot rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Company after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company, after discussions with its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

4 Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period upto commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Freehold land is carried at historical cost and not depreciated.

Depreciation on all fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on Property, Plant and Equipment 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.

The Company assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

5 Leases

The determination of whether an arrangement is (or contains) a lease or not is based on the substance of the arrangement at the inception of the lease. The arrangement is, (or contains), a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company does not have any arrangement during or at the reporting period that can be classified as finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7 Intangible Assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful economic life of intangible assets is six years.

The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Intangible assets are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the period of derecognition.

The company has elected to measure all its intangible assets and investment property at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

8 Inventories

Inventories are valued at lower of cost and net realisable value, except by-products whch 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 (including Packing Materials & Chemicals), 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 sale.

9 Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses on assets no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

10 Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Export Incentives

Export benefits are accounted for in the year of the exports based on the eligibility and when there is no uncertainity in receiving the same.

Interest Income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverbale can be measured reliably and it is reasonable to expect ultimate collection.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in operating income in the statement of profit and loss due to its operating nature.

11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Investments in subsidiaries and Joint Venture are carried at cost as per Ind AS 27 'Separate Financial Statements'.

Subsequent measurement

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

a) Debt instruments at amortised cost;

b) Debt instruments at fair value through other comprehensive income (FVTOCI); and

c) Other financial instruments measured at fair value through profit and loss (FVTPL).

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Other financial instruments measured at fair value through profit and loss (FVTPL)

Any financial asset that does not qualify for amortised cost measurement or measurement at FVTOCI must be measured subsequent to initial recognition at FVTPL.

d) Forward Contracts measured at fair value through other comprehensive income or fair value through profit and loss

Forward contract which meet the criteria of hedge effectiveness are cashflow hedge which are measured at FVTOCI and which fails to meet the effectiveness criteria are measured at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Financial assets that are debt instruments and are measured as at FVTOCI;

c) Lease receivables under Ind AS 17; and

d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or as those measured at amortised cost.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit & loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit and loss.

b) Financial liabilities at amortised cost

Financial liabilities at amortised cost include loans and borrowings and payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

12 Derivative Financial Instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks such as forward currency contracts. Further details of derivatives financial instruments are disclosed in note 41.

Derivatives are remeasured at FVTPL at the end of each reporting period and the resulting gain or loss is recognised in the statement of profit and loss.

13 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

14 Taxes on Income

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liability are generally recorded for all temporary timing differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

15 Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post- Employment Benefits

Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Company pays gratuity to the employees who have completed five years of service with the Company at the time of resignation /superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

"AS per IND AS 19, when a company pays insurance premiums to fund a post-employment benefit plan, the company shall treat such a plan as a defined contribution plan unless the company will have (either directly, or indirectly through the plan) a legal or constructive obligation either:"(a) to pay the employee benefits directly when they fall due; or"(b) to pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior periods.""If the company retains such a legal or constructive obligation, the Company shall treat the plan as a defined benefit plan.

Other Long Term Employment Benefits

Provision in respect of accumulated leave encashment/compensated absences is made as per actuarial valuation report.

16 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

17 Dividend Distribution

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

18 Provisions & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability arises when the Company has:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded in the financial statement but, rather, are disclosed in the note to the financial statements.

(B) <u>Key Accounting Estimates</u>

1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has ₹ 538.60 Lakhs as at March 31, 2018 (₹ 458.10 Lakhs as at March 31, 2017 and ₹ 325.78 Lakhs as at April 1, 2016) of tax credits carried forward. These credits can be utilised over the period of 15 years. The Company has taxable temporary difference and tax planning opportunities available that could support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward. Refer to Note 21 for further details.

4 Defined benefit plan

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 22 for further details.

5 Property, Plant and Equipment

Refer to Note 3 (A) - 4 for the estimated useful life of Property, Plant and Equipment. The carrying values of Property, Plant and Equipment have been disclosed in Note 6.

6 Intangible assets

Refer to Note 3 (A) - 7 for the estimated useful life of Intangible assets. The carrying values of Intangible assets have been disclosed in Note 7.

7 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc. The allowances for doubtful trade receivables were ₹ 100.16 lakhs as at March 31, 2018 (as at March 31, 2017 : ₹ 140.03 lakhs and April 1, 2016 : ₹ 63.51 lakhs).

Individual trade receivables are written off when the management deems them not to be collectable.

Note 4 : Recent accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

Notes Forming Part of the Financial Statements

Note 5 : TRANSITION TO IND AS

These financial statements are the Company's first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Company in terms of Ind AS 101 'First time adoption of Indian Accounting standards'. For periods up to and including the year ended on March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

5.1 Optional exemptions availed

1 Investment in subsidiaries and associate

The Company has elected the option provided under Ind AS 101 to measure all its investments in subsidiaries and associate at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

2 Fair value measurement of financial assets or financial liabilities at Initial Recognition

Company has elected to apply requirement in paragraph B5.1.2A of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind ASs.

3 Deemed Cost

The Company has elected to measure all its intangible assets and investment property at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

5.2 Applicable mandatory exceptions

1 Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies, if any) apart from the following items where application of previous GAAP did not require estimation:

- FVTPL investments
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets

As required under Ind AS 101, the classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS.

5.3 Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity between previous GAAP and Ind AS **(₹ In Lakhs)**

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP		**5,274.36**	**4,821.47**
Impact of fair valuation of investments (other than investment in subsidiaries and associate)	i	5.88	0.97
Impact of amortisation of loan processing charges	ii	6.51	11.45
Impact of Fair valuation of Forward Contract	iii	-	88.47
Proposed Dividend reveresed including Tax on Dividend	iv	-	118.85
Tax impact on Ind AS adjustments	v	(2.02)	(30.88)
Equity as per Ind AS		**5,284.73**	**5,010.33**

Notes Forming Part of the Financial Statements

2. Total comprehensive income reconciliation for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Notes	For the year ended on March 31, 2017
Net profit under previous GAAP		**393.67**
Impact of gain / (loss) on fair valuation of investments (other than investment in subsidiaries and associate)	i	4.91
Impact of amortisation of loan processing charges	ii	(4.94)
Tax impact on Ind AS adjustments	v	(0.39)
Net profit under Ind AS		**393.25**

Notes :

i Fair valuation of investments (other than investment in subsidiaries and associate)

Under previous GAAP, the current investments were measured at lower of the cost or market value . Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the statement of profit and loss or other comprehensive income (based on the category in which they are classified).

ii Amortisation of loan processing charges

Under previous GAAP, the loan processing charges were normally recognised as expense as and when incurred. Under Ind AS, borrowings have been measured at amortised cost using effective interest rate. This has resulted into amortisation of loan processing charges over the period of borrowings.

iii Fair valuation of forward contract

Under previous GAAP, net MTM losses outstanding for forward contracts are recognised in profit and loss account and net gain, if any, were ignored. Under Ind AS, all outstanding forward contracts on period end date shall be measured at fair value received from the bank and MTM value of the same shall be accounted at fair value through profit and loss account.

iv Proposed dividend and tax thereon

Under previous GAAP, dividend payable is recorded as a liability in the period for which it is being proposed. Under Ind AS, dividend is recognised as a liability in the period in which the obligation to pay is established.

v Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in changes in the taxes. The resulting changes have been recognised in the retained earnings on the date of transition and the changes in the taxes in the subsequent periods are recognised in the statement of profit and loss or other comprehensive income, as the case may be.

3. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes Forming Part of the Financial Statements

NOTE 6: PROPERTY PLANT AND EQUIPMENT **(₹ In Lakhs)**

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Other Agriculture Equipments	Total	Capital Work-in-Progress
Gross carrying amount									
As at April 1, 2016	0.80	3,044.53	17,315.16	177.36	220.67	560.24	0.35	21,319.11	158.04
Additions during the year	-	205.25	925.14	7.99	22.15	6.92	-	1,167.45	204.37
Deductions during the year	-	-	(47.92)	-	-	-	-	(47.92)	-
Capitalised from/reduction in CWIP	-	-	-	-	-	-	-	-	(96.52)
As at March 31,2017	**0.80**	**3,249.78**	**18,192.38**	**185.35**	**242.82**	**567.16**	**0.35**	**22,438.64**	**265.89**
As at April 1, 2017	**0.80**	**3,249.78**	**18,192.38**	**185.35**	**242.82**	**567.16**	**0.35**	**22,438.64**	**265.89**
Additions during the year	-	**565.92**	**1,363.57**	**22.83**	**44.59**	**503.34**	-	**2,500.25**	**337.83**
Deductions during the year	-	-	-	-	-	**(266.22)**	-	**(266.22)**	-
Capitalised from/reduction in CWIP	-								**(204.37)**
As at March 31,2018	**0.80**	**3,815.70**	**19,555.95**	**208.18**	**287.41**	**804.28**	**0.35**	**24,672.67**	**399.35**
Accumulated depreciation									
As at April 1, 2016	-	757.17	7,183.90	122.20	144.70	210.31	0.34	8,418.62	-
Depreciation for the year	-	118.52	635.85	9.59	24.81	65.93		854.70	
Deductions during the year	-	-	(35.61)	-	-	-	-	(35.61)	-
As at March 31,2017	-	875.69	7,784.14	131.79	169.51	276.24	0.34	9,237.71	-
As at April 1, 2017	-	875.69	7,784.14	131.79	169.51	276.24	0.34	9,237.71	-
Depreciation for the year	-	115.74	560.61	11.20	28.71	81.97	-	798.23	-
Deductions during the year	-	-	-	-	-	(159.24)	-	(159.24)	-
As at March 31,2018	-	991.43	8,344.75	142.99	198.22	198.97	0.34	9,876.70	-
Net Carrying Amount									
As at March 31,2018	0.80	2,824.27	11,211.20	65.19	89.19	605.31	0.01	14,795.97	399.35
As at March 31,2017	0.80	2,374.09	10,408.24	53.56	73.31	290.92	0.01	13,200.93	265.89
As at April 1, 2016	0.80	2,287.36	10,131.26	55.16	75.97	349.93	0.01	12,900.49	158.04

Notes :

(a) Buildings include ₹ 313.42 Lakhs (Previous Year ₹ 313.42 Lakhs) 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.

(b) Buildings include ₹ 4.50 Lakhs (Previous Year ₹ 4.50 Lakhs) 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.

(c) Additions for the year includes ₹ 27.02 Lakhs (previous year Nil) being interest capitalised.

Details relating to assets given on Operating Lease **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Gas Engine as a part of Plant & Machinery :			
Gross Block	-	-	310.32
Accumulated Depreciation	-	-	247.37
Net Block	-	-	62.95
Depreciation for the year on such assets	-	-	83.29
It may be noted that the said operating lease agreement with N. B. Commercial Enterprise Limited (Enterprise under common control) got expired in October 2015.			

IND AS transition

Ind AS 101, Appendix, D provides exemption which are at the option of the company, whether to avail that option or not. By availing that option company need not have to follow that particular Ind AS restrospectively. One of such exemption are also available with respect to Property, plant and equipment.

Company can choose the option of previous GAAP carrying amount as deemed cost or Fair value of asset on the date of opening balance sheet date as deemed cost. If company decides to not to take any of the option then in that case Ind AS - 16 needs to be applied retrospectively.

Company has not availed any of the exemptions given under Ind AS - 101 for property, plant and equipment.

Notes Forming Part of the Financial Statements

NOTE 7: INTANGIBLE ASSETS **(₹ In Lakhs)**

Particulars	Softwares
Gross carrying amount	
As at April 1, 2016	120.32
Additions	-
Deductions	-
As at March 31, 2017	120.32
As at April 01, 2017	120.32
Additions	-
Deductions	-
As at March 31, 2018	**120.32**
Accumulated amortisation	
As at April 1, 2016	11.02
Amortisation for the year	19.05
Deductions	-
As at March 31, 2017	30.07
As at April 01, 2017	30.07
Amortisation for the year	19.05
Deductions	-
As at March 31, 2018	**49.12**
Net carrying amount	
As at March 31, 2018	**71.20**
As at March 31, 2017	90.25
As at April 1, 2016	109.30

NOTE 8: NON CURRENT INVESTMENTS **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Non Current Investments			
(A) Investment at Cost			
(a) In Limited Liability Partnership			
- Subsidiary Company/LLP			
(i) Sayaji Seeds LLP	**180.01**	78.80	-
(ii) Sayaji Ingritech LLP	**181.76**	-	-
(b) In Unquoted Equity Instruments			
(i) Of Subsidiary Company			
49,994 Equity Shares (49,994 Equity shares at 31.03.2017 and Nil Equity shares as at 01.04.2016) of Sayaji Corn Products Limited of ₹ 10/- each	**5.00**	5.00	-
(ii) Of Joint Venture Company			
12,00,000 Equity Shares (12,00,000 Equity shares at 31.03.2017 and as at 01.04.2016) of Sayaji Sethness Limited of ₹ 10/- each	**120.00**	120.00	120.00

Notes Forming Part of the Financial Statements

NOTE 8: NON CURRENT INVESTMENTS (Contd..) (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(B) Investment at Fair Value through Profit and Loss (FVTPL):			
(a) In equity instruments			
Quoted			
2,500 Equity Shares (2500 Equity shares at 31.03.2017 and as at 01.04.2016) of ₹ 10/- each of Rapicut Carbide Limited.	**1.61**	2.09	1.03
2360 Equity Shares (2360 Equity shares at 31.03.2017 and as at 01.04.2016) of Punjab National Bank of ₹ 2/- each.	**2.25**	3.49	1.99
Un quoted			
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 4500 equity shares as at 01.04.2016) of Cama Hotels Ltd. of ₹ 10/- each	**-**	-	0.58
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 2500 equity shares as at 01.04.2016) of Sterling (Guj) Hospitals Ltd. of ₹ 10/- each.	**-**	-	0.25
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 2,51,100 equity shares as at 01.04.2016) of Ahmedabad Commodity Exchange of ₹ 10/- each	**-**	-	25.64
	3.86	5.58	29.49
(b) In Mutual Funds			
Quoted			
(i) 1,59,329 Units (1,59,329 Units at 31.03.2017 and as at 01.04.2016)of "Principal Assets Allocation Fund" of ₹.10/- each.	**19.56**	18.12	15.77
(C) Other Non Current Investments - National Saving Certificates	**-**	-	0.10
Total	**510.19**	227.50	165.36
Less: Provision for Diminution in value of Investments	**-**	-	26.22
Total	**510.19**	227.50	139.14
Aggregate value of quoted investments and market value thereof.	**23.42**	23.70	18.79
Aggregate value of unquoted investments and market value thereof.	**486.77**	203.80	146.57
Aggregate of amount of impairement in the value of investments	**-**	-	26.22

Notes Forming Part of the Financial Statements

NOTE 9: TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured)			
(a) Considered Good	**3,590.75**	3,652.99	3,430.47
(b) Considered Doubtful	**100.16**	140.03	63.51
(c) Less : Allowance for doubtful trade receivables	**(100.16)**	(140.03)	(63.51)
Total	**3,590.75**	3,652.99	3,430.47

Trade Receivable includes debts due from :

Company in which any director is a director/partner			
N.B.Commercial Enterprises Ltd	**-**	0.19	0.34
Sayaji Ingritech LLP	**-**	0.45	-

Summary of movement in allowance for doubtful trade receivables

Particulars	As at 31.03.2018	As at 31.03.2017
Balance at the beginning of the year	**140.03**	63.51
Movement during the year	**21.58**	76.52
Less:Write off of bad debts	**(61.45)**	-
Balance at the end of the year	**100.16**	140.03

NOTE 10: CASH AND BANK BALANCES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Cash on Hand	**6.82**	21.46	18.97
(b) Balances with Banks			
In Current Accounts	**68.48**	89.09	49.72
Total Cash and Cash Equivalents	**75.30**	110.55	68.69
Other Bank Balances			
(a) Bank Deposits having maturity beyond 3 months	**192.33**	158.96	130.84
(b) Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments.	**-**	19.60	20.37
(c) Earmaked Balances with Bank			
In unpaid Dividend Accounts	**32.12**	27.63	24.10
	224.45	206.19	175.31
Total	**299.75**	316.74	244.00

Notes Forming Part of the Financial Statements

NOTE 11: OTHERS FINANCIAL ASSETS NON CURRENT / CURRENT **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
[Unsecured and considered good, unless otherwise stated]			
Non Current			
(a) Security Deposits	**10.56**	8.11	8.35
	10.56	8.11	8.35
Current			
(a) Advances to Related Parties	**30.90**	16.33	0.08
(b) Financial Derivative Asset	**17.88**	154.57	88.47
(c) Export Incentive Receivable	**108.48**	51.91	43.35
(d) Interest Receivable	**0.41**	5.93	18.45
	157.67	228.74	150.35
Total	**168.23**	236.85	158.70

NOTE 12: OTHER NON CURRENT / CURRENT ASSETS **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
[Unsecured and considered good, unless otherwise stated]			
Non Current			
(a) Capital Advances	**195.28**	33.51	92.37
	195.28	33.51	92.37
Current			
(a) Prepaid Expenses	**88.14**	85.53	58.86
(b) Advances to Employees	**0.22**	0.12	2.02
(c) Balances with Government Authorities			
(i) CENVAT Credit	**5.90**	193.19	193.87
(ii) PLA Balance	**2.06**	1.25	4.01
(iii) Others	**17.31**	14.31	13.31
	25.27	208.75	211.19
(d) Advance to Suppliers			
Considered Good	**219.38**	523.44	1,077.35
Considered Doubtful	**1,063.00**	1,063.00	1,063.00
Less: Provisions	**(1,063.00)**	(1,063.00)	(1,063.00)
	219.38	523.44	1,077.35
(e) Others	**52.48**	94.26	81.14
	385.49	912.10	1,430.56
Total	**580.77**	945.61	1,522.93

Note: The long term contract entered into by the group with Yashwant Sahakari Glucose Karkhana Limited (YSGK) for purchase of certain products manufactured by YSGK at mutually agreed price was terminated on 11/5/2017 due to dispute and differences between the parties. Out of advances paid by the group which remained unadjusted, as per the terms of the termination agreement YSGK agreed to pay a sum of ₹.250.00 Lakhs in full and final settlement. The group has received ₹.100.00 Lakhs from YSGK till 31st March, 2018 out of the said amount. For the balance outstanding amount of ₹.150.00 Lakhs (included in advances to suppliers), YSGK has issued post dated cheques to the group. The management of the group is confident of realisation of the amount of ₹.150.00 Lakhs and the said amount is therefore considered as good.

Notes Forming Part of the Financial Statements

NOTE 13: INVENTORIES **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Raw Materials	**1,506.52**	1,635.74	2,474.85
(b) Work-In-Progress	**592.52**	488.37	441.72
(c) Finished Goods	**630.85**	1,034.45	865.02
(d) Stock In Transit - Finished Goods	**61.20**	233.54	-
(e) By Products (At Net Realisable Value)	**518.91**	279.26	416.81
(f) Stores, Spares, Chemicals, Packing Material and Fuel	**434.67**	392.78	354.43
Total	**3,744.67**	4,064.14	4,552.83

Note 14: SHARE CAPITAL

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number of Shares	**(₹ In Lakhs)**	Number of Shares	(₹ In Lakhs)	Number of Shares	(₹ In Lakhs)
(a) Authorised						
Equity Shares of ₹ 100/- each with voting rights	-	-	2,00,000	200.00	2,00,000	200.00
Equity Shares of ₹ 10/- each with voting rights	**40,00,000**	**400.00**	-	-	-	-
(b) Issued, Subscribed and fully paid up						
Equity Shares of ₹ 100/- each with voting rights	-	-	79,000	79.00	79,000	79.00
Equity Shares of ₹ 10/- each with voting rights	**31,60,000**	**316.00**	-	-	-	-
Total		**316.00**		79.00		79.00

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

Particulars	Opening Balance	Changes if any during the year in the Share Capital	Closing Balance
Equity Shares with voting rights			
Year ended 31st March, 2018			
- **Number of Shares**	**79,000**	**30,81,000**	**31,60,000**
- **Amount (₹ in Lakhs)**	**79.00**	**237.00**	**316.00**
Year ended 31st March, 2017			
- Number of Shares	79,000	-	79,000
- Amount (₹ in Lakhs)	79.00	-	79.00
As At 1st April, 2016			
- Number of Shares	79,000	-	79,000
- Amount (₹ in Lakhs)	79.00	-	79.00

Notes Forming Part of the Financial Statements

Note : Changes in the Share Capital during the year ended 31.03.2018 in case of number of shares of 30,81,000, comprise of 23,70,000 Bonus Shares and 7,11,000 number of shares on account of Share Split from a Face Value of ₹ 100 to Face Value of ₹ 10 as mentioned below.

(ii) Details of Shareholders holding more than 5% shares:

Particulars	**As at 31.03.2018**		As at 31.03.2017		As at 01.04.2016	
Class of Shares/ Name of Shareholder	**Number of Shares held**	**% holding in that class of Shares**	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	**5,68,840**	**18.00**	14,221	18.00	14,221	18.00
C.V. Mehta Private Limited	**4,79,760**	**15.18**	11,994	15.18	11,994	15.18
Priyam Commercial Enterprises Pvt. Ltd.	**4,28,200**	**13.55**	10,705	13.55	10,705	13.55
Priyam B. Mehta	**3,64,600**	**11.54**	9,115	11.54	9,115	11.54
Bini Commercial Enterprises Pvt. Ltd.	**2,29,600**	**7.27**	5,740	7.27	5,740	7.27

The company pursuant to the approval of the members accorded on May 27,2017, by way of a postal ballot, 1(one) equity share having face value of ₹ 100 each were sub-divided into 10 (Ten) equity shares having face value of ₹.10/- each.

During the year, the company has issued 23,70,000 bonus shares in the proportion of 3 (Three) new equity shares of ₹ 10/- each for every 1 (one) existing fully paid up equity share capital of ₹ 10/- each by capitalization of a sum of ₹ 237.00 Lakhs from the reserves of the company.

The company has issued only one class of shares referred to as Equity Shares having a Par value of ₹ 10/-. 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 regards to the company's residual assets.

Note 15 : OTHER EQUITY

Refer to the statement of changes in equity for movement in Other equity.

Nature and purpose of reserves

Capital Redemption Reserve

The Company has recognised Capital Redemption Reserve, on buyback or redemption of its own equity/ preference shares, from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the shares bought back.

General Reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Security Premium

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognised in Securities Premium.

Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

Notes Forming Part of the Financial Statements

NOTE 16: BORROWINGS **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current			
Secured			
(a) Term Loans From Banks	**736.68**	1,180.99	1,726.05
(b) Vehicle Loan from Banks	**241.57**	-	23.49
Unsecured			
(a) Public Deposits *	**1,431.78**	1,258.85	1,367.84
(b) Inter Corporate Deposits from Related Parties	**738.50**	738.50	738.50
	3,148.53	3,178.34	3,855.88
Current			
Secured			
(a) Purchase Bill Discounting with Bank	**3,860.16**	2,987.34	1,971.53
(b) Working Capital Loan from Banks	**2,969.25**	3,137.79	3,224.83
Unsecured			
(a) Public Deposits	**21.40**	15.13	22.70
	6,850.81	6,140.26	5,219.06
Total	**9,999.34**	9,318.60	9,074.94

* Public Deposits includes deposits accepted from Directors amounting to ₹ 513.50 Lakhs (As at 31.03.2017 ₹322.50 Lakhs and As at 01.04.2016 ₹ 229.00 Lakhs)

(i) Term Loan by way of overdraft from Punjab National Bank of ₹ 389.71 Lakhs (As at 31.03.2017 ₹ 437.50 Lakhs and As at 01.04.2016 ₹ 487.50 Lakhs) is secured by mortgage of property situated at Kathwada Unit. This loan is repayable in 120 equal monthly instalments starting from 01.02.2016.

(ii) Term Loan - 1 from Kotak Mahindra Bank of ₹ Nil (As at 31.03.2017 ₹ 100.00 Lakhs and As at 01.04.2016 ₹ 300.00 Lakhs) is secured by way of Equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments starting from 10.12.2012.

(iii) Term Loan - 2 from Kotak Mahindra Bank of ₹ 800 Lakhs (As at 31.03.2017 ₹ 1200.00 Lakhs and As at 01.04.2016 ₹.1600 Lakhs) is secured by way of Equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments starting from 27.05.2015.

(iv) Vehicle loan from Banks & Financial Institution amounting to ₹ 391.35 Lakhs (As at 31.03.2017 ₹ 25.22 Lakhs and As at 01.04.2016 ₹ 52.33 Lakhs) are secured by way of hypothecation of respective motor vehicles purchased. The said loans are repayable in 36 equal monthly instalments.

(v) Working Capital loans from Punjab National Bank are secured by hypothecation of present and future 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.

(vi) Purchase bill discounting is secured by way of equitable mortgage of building in Mumbai.

(vii) Rate of Interest on the above loans ranges between 9.50% to 12.60% p.a.

Notes Forming Part of the Financial Statements

NOTE 17: TRADE PAYABLES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Payables			
For Supply of Goods			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-	-
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**2,553.36**	3,426.89	4,341.65
For Others			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-	-
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**875.24**	936.01	735.98
Total	**3,428.60**	4,362.90	5,077.63

NOTE 18: OTHER FINANCIAL LIABILITIES - NON CURRENT/CURRENT

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current			
(a) Trade/Security Deposit Received	**14.16**	13.12	19.76
	14.16	13.12	19.76
Current			
(a) Current Maturities of Long Term Debt (Refer Note below)	**1,320.52**	1,250.73	1,103.03
(b) Unpaid Dividend	**32.12**	27.63	24.10
(c) Unclaimed Matured Public Deposits	**91.17**	23.36	15.29
(d) Payable on Purchase of Fixed Assets	**171.19**	169.56	191.92
(e) Interest accrued but not due	**8.95**	17.31	19.90
(f) Other current financial liabilities	**648.73**	526.50	657.92
	2,272.68	2,015.09	2,012.16
Total	**2,286.84**	2,028.21	2,031.92

(i) Current Maturities of Long Term Debt - Refer Note (i) to (iv) in Note 16 - Borrowings for details of Security.

NOTE 19: OTHER CURRENT LIABILITIES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Other payables			
(a) Statutory Liabilities	**420.47**	306.83	289.69
(b) Advance from Customers	**746.47**	460.25	430.53
(c) Others	**2.04**	2.04	2.04
Total	**1,168.98**	769.12	722.26

Notes Forming Part of the Financial Statements

NOTE 20: PROVISIONS **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Provision for Employee Benefits			
Non Current			
Provision for Gratuity	**130.34**	47.56	159.75
Provision for Compensated Absences	**199.67**	182.83	166.79
	330.01	230.39	326.54
Current			
Provision for Gratuity	**210.66**	153.09	155.06
Provision for Compensated Absences	**111.38**	81.30	88.21
	322.04	234.39	243.27
Total	**652.05**	464.78	569.81

NOTE 21: INCOME TAXES

1. **Components of Income tax expenses**

   The major component of Income tax expenses for the year ended on March 31, 2018 and March 31,2017 are as follows.

(₹ In Lakhs)

Particulars	**For the year Ended March 31,2018**	For the year Ended March 31,2017
Statement of Profit & Loss		
Current Tax		
(i) Current Income Tax	**173.00**	138.25
(ii) Adjustment of Tax relating to earlier periods	**0.16**	5.95
	173.16	144.20
Deferred Tax		
(i) Deferred Tax Expenses	**267.92**	143.39
(ii) MAT Credit Entitlement	**(87.57)**	(132.33)
	180.35	11.06
Income Tax Expenses as per statement of Profit & Loss	**353.51**	155.26

2. **Reconciliation of effective tax** **(₹ In Lakhs)**

Particulars	**For the year Ended March 31,2018**	For the year Ended March 31,2017
Profit Before Tax	**896.44**	548.51
Tax @ 33.063%	**296.39**	181.35
Adjustment for :		
Expenses not allowed as deduction	**18.93**	7.52
MAT credit not recognised	**80.16**	-
Excess provision created during current periods	**(4.41)**	(5.92)
Income on which tax not required to be paid	**(19.85)**	(19.85)
Impact of current tax of earlier years	**0.16**	5.95
Others	**(17.87)**	(13.79)
Tax Expenses/(Benefit)	**353.51**	155.26

Notes Forming Part of the Financial Statements

3. Movement in deferred tax assets and liabilities for the year ended on March 31,2017 (₹ In Lakhs)

Particulars	As at April 1, 2016	Credit/(Charge) in the Statement of Profit & Loss	Credit/(Charge) in the Other Comprehensive Income	As at March 31, 2017
Deferred Tax Assets/(Liabilities)				
Accelerated Depreciation for Tax Purpose	(1,713.32)	(233.75)	-	**(1,947.07)**
Deferred Tax Imposed on Employee Benefits	188.40	(34.73)	-	**153.67**
Provision for doubtful debt/Advances	353.68	44.09	-	**397.77**
Unabsorbed depreciation	51.07	52.15	-	**103.22**
Deferred tax on MTM of forward contract	(27.34)	27.34	-	-
Deferred tax on Amortisation of Loan Processing fees	(3.54)	1.52	-	**(2.02)**
Total	(1,151.04)	(143.39)	-	**(1,294.43)**

4. Movement in deferred tax assets and liabilities for the year ended on March 31,2018

(₹ In Lakhs)

Particulars	As at April 1, 2017	Credit/(Charge) in the Statement of Profit & Loss	Credit/(Charge) in the Other Comprehensive Income	As at March 31, 2018
Deferred Tax Assets/(Liabilities)				
Accelerated Depreciation for Tax Purpose	(1,947.07)	(214.34)	-	**(2,161.41)**
Deferred Tax Imposed on Employee Benefits	153.67	61.92	-	**215.59**
Provision for doubtful debt/Advances	397.77	(13.20)	-	**384.57**
Unabsorbed depreciation	103.22	(103.22)	-	**-**
Deferred tax on MTM of forward contract	-	-	-	-
Deferred tax on Amortisation of Loan Processing fees	(2.02)	0.92	-	**(1.10)**
Total	(1,294.43)	(267.92)	-	**(1,562.35)**

5. Deferred Tax Liabilities (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Deferred Tax Liability	**1,562.35**	1,294.43	1,151.04
MAT Credit Entitlement	**(538.60)**	(458.10)	(325.78)
Total	**1,023.75**	836.33	825.26

6. Current /Non-Current tax assets and liabilities (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non-Current			
Non-Current Tax Assets	**108.78**	103.50	111.67
Current			
Current Tax Liabilities	**25.06**	39.73	15.42

Notes Forming Part of the Financial Statements

NOTE 22: EMPLOYEE BENEFITS

A. Defined contribution plans:

The Company deposits amount of contribution to government under Provident Fund and other schemes operated by government.

Amount of ₹ 348.55 Lakhs (P.Y. : ₹ 329.47 Lakhs) is recognised as expenses and included in Note 26 "Employee Benefit Expense"

(₹ in Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Provident and other funds	**348.55**	329.47
	348.55	329.47

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The benefit vests only after five years of continuous service, except in case of death/disability of employee during service. The vested benefit is payable on separation from the Company, on retirement, death or termination.

(₹ in Lakhs)

Particulars	As at March 31,2018	As at March 31,2017
i. Expenses recognized in Profit & Loss Account		
Current Service cost	**53.00**	48.93
Interest Cost (Net)	**14.57**	25.44
Past Service cost	**166.84**	-
Expected return on plan assets	**(1.83)**	3.68
Net actuarial losses (gains)	**106.08**	(32.65)
Total Expenses	**338.66**	45.40
ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2017	**1,237.60**	1,262.01
Service cost	**53.00**	48.93
Interest cost	**89.85**	101.97
Past Service cost	**166.84**	-
Actuarial losses (gains)- Due to change in Financial Assumptions	**(50.87)**	48.72
Actuarial losses (gains)- Due to Experience	**156.95**	(81.37)
Benefits paid	**(92.07)**	(142.66)
Closing defined benefit obligation as at March 31, 2018	**1,561.30**	1,237.60

Notes Forming Part of the Financial Statements

(₹ in Lakhs)

	Particulars	As at March 31,2018	As at March 31,2017
iii.	**Reconciliation of Opening and Closing balances of changes in fair value of the assets**		
	Opening fair value of plan assets as at April 1, 2017	**1,036.95**	947.20
	Interest Income	**75.28**	76.53
	Expected return on plan assets	**1.83**	(3.68)
	Contributions by employer	**198.31**	159.56
	Benefits paid	**(92.07)**	(142.66)
	Closing balance of fair value of plan assets as at 31.03.2018	**1,220.30**	1,036.95
iv.	**Net Liability recognized in the Balance Sheet as at March 31, 2018**		
	Defined Benefit Obligation as at March 31, 2018	**1,561.30**	1,237.60
	Fair Value of plan assets as at March 31, 2018	**1,220.30**	1,036.95
	Present Value of unfunded obligation recognized as liability as at March 31, 2018	**341.00**	200.65
v.	**Actuarial Assumptions**		
	Particulars	**For the year ended March 31,2018**	For the year ended March 31,2017
	Discount rate	**7.88%**	7.26%
	Expected Return on Plan Assets	**7.88%**	7.26%
	Future salary increase	**4.00%**	4.00%
	Attrition rate	**2.00%**	2.00%
	Mortality rate during employment	**Indian assured lives Mortality (2006-08)**	Indian assured lives Mortality (2006-08)

vi. **A quantitative sensitivity analysis for significant assumption is as shown below:**

Gratuity (₹ in Lakhs)

Particulars	Sensitivity level	For the year ended March 31,2018	For the year ended March 31,2017
Gratuity			
Discount rate	1% increase	**(74.14)**	(58.77)
	1% decrease	**84.14**	66.68
Salary increase	1% increase	**86.60**	68.21
	1% decrease	**(77.74)**	(61.05)
Withdrawal Rates	1% increase	**25.26**	15.71
	1% decrease	**(28.28)**	(17.51)

vii. **The followings are the expected future benefit payments for the defined benefit plan :**

(₹ in Lakhs)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Gratuity		
1st Following year	**431.99**	350.46
2nd Following year	**95.28**	102.00
3rd Following year	**97.17**	96.04
4th Following year	**201.74**	77.10
5th Following year	**114.41**	157.43
Sum of years 6 to 10	**709.95**	452.19
Sum of years 11 and above	**1,092.23**	802.85

Notes Forming Part of the Financial Statements

viii. Weighted average duration (years) of defined plan obligation (based on discounted cash flows)

Particulars	For the year ended March 31,2018	For the year ended March 31,2017
Gratuity	**6**	6

C. Other Long term employee benefit plans

Leave encashment

Salaries, Wages and Bonus include ₹ 127.55 Lakhs (P.Y.: ₹ 95.51 Lakhs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

NOTE 23: REVENUE FROM OPERATIONS **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
(a) Sale of Products	**58,420.72**	56,009.14
(b) Other Operating		
Export Incentives	**267.48**	240.11
VAT / Excise Refund	**0.34**	0.35
Total	**58,688.54**	56,249.60

Note : Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in the GST. Revenue from the operations for the year ended March 31, 2018 includes excise duty till June 30, 2017 only. Accordingly, revenue from operations for the year ended March 31, 2017 and year ended March 31, 2018 are not comparable with those of previous periods presented.

NOTE 24: OTHER INCOME **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
(a) **Dividend Income:**		
From Long Term Investments		
Joint Venture Company	**60.00**	60.00
Others	**0.04**	0.03
(b) Net Gain on Foreign Currency Transactions and Translation	**230.41**	343.40
(c) MTM Gain/(Loss) on Long Term Investment	**(0.29)**	4.91
(d) Share of Profit of Sayaji Seeds LLP	**1.21**	-
(e) Insurance Claim received	**-**	106.91
(f) Rental Income from Operating Leases	**5.30**	5.35
(g) Sundry Balances written off	**36.98**	-
(h) Miscellaneous Income	**0.03**	1.33
Total	**333.68**	521.93

Notes Forming Part of the Financial Statements

NOTE 25.a: COST OF MATERIALS CONSUMED

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Opening Stock	**1,635.74**	2,474.85
Add: Purchases	**34,798.89**	32,878.29
Less: Closing Stock	**(1,506.52)**	(1,635.74)
Total	**34,928.11**	33,717.40

NOTE 25.b: PURCHASE OF TRADED GOODS

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Starches & Others	**3.08**	1.45
Total	**3.08**	1.45

NOTE 25.c: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Inventories at the End of the Year		
Finished Goods & By-Products	**1,149.76**	1,313.71
Stock in Transit - Finished Goods	**61.20**	233.54
Work-In-Progress	**592.52**	488.37
	1,803.48	2,035.62
Inventories at the beginning of the Year		
Finished Goods & By-Products	**1,313.71**	1,281.83
Stock in Transit - Finished Goods	**233.54**	-
Work-In-Progress	**488.37**	441.72
	2,035.62	1,723.55
Total	**232.14**	(312.07)

NOTE 26: EMPLOYEE BENEFITS EXPENSE

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Salaries and Wages	**4,570.09**	3,757.65
Contribution to Provident and other Funds	**678.41**	368.30
Staff Welfare Expenses	**297.48**	213.25
Total	**5,545.98**	4,339.20

NOTE 27: FINANCE COST

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Interest on Borrowings	**1,163.87**	1,129.76
Loan Scrutiny & Processing Fees	**15.54**	11.56
Total	**1,179.41**	1,141.32

Notes Forming Part of the Financial Statements

NOTE 28: OTHER EXPENSES **(₹ In Lakhs)**

Particulars		For the year 2017-18	For the year 2016-17
Consumption of Packing Materials		**2,027.32**	1,820.69
Consumption of Stores, Spare Parts and Chemicals		**2,043.90**	1,951.79
Power and Fuel		**4,025.36**	3,755.03
Rent including Lease Rentals (Refer Note 37)		**131.81**	141.09
Repairs and Maintenance - Buildings		**66.16**	61.32
Repairs and Maintenance - Machinery		**985.20**	816.27
Repairs and Maintenance - Others		**234.09**	178.53
Insurance		**43.55**	43.30
Rates and Taxes		**159.37**	207.66
Commission and Brokerage		**571.02**	545.07
Freight Outward and Clearing Charges		**2,241.77**	1,930.50
Selling and Distribution Expenses		**257.47**	187.12
Donations and Contributions		**3.85**	2.62
Corporate Social Responsibilities Expenses		**15.48**	19.13
Loss on Sale of Fixed Assets (Net)		**9.59**	11.29
Payment to Auditors		**10.82**	36.08
Provision for Doubtful Advances		**-**	83.00
Bad Debt Written off	61.45	**-**	-
Less : Provision for Doubtful Trade Receivables	(61.45)	**-**	-
Provision for Doubtful Trade Receivables		**21.58**	76.52
Investment Written Off		**-**	0.35
Share of Loss in Sayaji Seeds LLP		**-**	1.20
Share of Loss in Sayaji Ingritech LLP		**27.24**	0.00
Directors Sitting Fees		**13.59**	9.78
Managerial Remuneration		**401.68**	326.68
General Charges		**1,385.80**	1,107.79
Total		**14,676.65**	13,312.81

NOTE 29: RELATED PARTY TRANSACTIONS

Related party disclosures, as required by Ind AS 24, " Related Party Disclosures", are given below.

(A) List of Related Parties and Relationships:

Subsidiary Company/LLP:	Sayaji Seeds LLP Sayaji Ingritech LLP Sayaji Corn Products Ltd.
Joint Venture Company:	Sayaji Sethness Limited
Entities under Common Control:	C. V. Mehta (Pvt.) Ltd. Bini Commercial Enterprises (Pvt.) Ltd. N.B. Commercial Enterprises Ltd. Varun Travels (Pvt.) Ltd. Priyam Commercial Enterprises (Pvt) Ltd. Viva Tex Chem (Pvt) Ltd.

Notes Forming Part of the Financial Statements

	Viva Public Charitable Trust Sayaji Properties LLP Sayaji Agrosciences LLP Sayaji Samruddhi LLP
Key Managerial Personnel:	Shri Priyam B. Mehta Shri Varun P. Mehta Shri Vishal P. Mehta Shri Rajesh H Shah Shri Narayansingh J. Deora
Relatives of Key Managerial Personnel:	Smt.Niramayi B. Mehta Smt. Sujata P. Mehta Smt. Kavisha V. Mehta Smt. Priyanka V. Mehta Late. Smt. Bhoomi V. Mehta (till 02.09.2016) Priyam B Mehta - HUF

(B) Related party transaction and balances :

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except in case of advances. Outstanding advances are either settled through supply of goods or services.

The details of material transactions and balances with related parties are given below:

(₹ In Lakhs)

a) Transactions during the year	For the year Ended March 31,2018	For the year Ended March 31,2017
i) Sales		
To a subsidiary Company/LLP		
Sayaji Ingritech LLP	**1.73**	-
To a joint Venture Company		
Sayaji Sethness Ltd	**2.49**	2.50
To Entities under common Control		
N.B. Commercial Enterprises Ltd.	**41.78**	37.28
Sayaji Ingritech LLP	**-**	0.37
ii) Interest Paid :		
To a joint Venture Company		
Sayaji Sethness Ltd	**56.00**	63.00
To Entities under common Control		
C. V. Mehta (Pvt.) Ltd.	**2.60**	2.92
Bini Commercial Enterprises (Pvt.) Ltd.	**0.48**	0.54
To Key Managerial Personnel		
Shri Priyam B. Mehta	**14.96**	12.99
Shri Varun P. Mehta	**7.00**	0.58
Shri Vishal P. Mehta	**5.97**	2.76
To Relatives of Key Managerial Personnel		
Smt.Niramayi B. Mehta	**5.43**	5.52
Smt. Sujata P. Mehta	**18.06**	13.80
Smt. Kavisha V. Mehta	**2.12**	2.18
Priyam B Mehta - HUF	**0.69**	1.61
Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	**0.00**	2.18

Notes Forming Part of the Financial Statements

a)	Transactions during the year	For the year Ended March 31,2018	For the year Ended March 31,2017
iii)	**Expenses Recovered on Reimbursement Basis/ Service rendered**		
	To a subsidiary Company /LLP		
	Sayaji Ingritech LLP	**15.14**	-
	Sayaji Seeds LLP	**21.06**	13.80
	To a joint Venture Company		
	Sayaji Sethness Ltd	**70.94**	52.97
	To Entities under common Control		
	N.B. Commercial Enterprises Ltd.	**7.00**	-
iv)	**Services Purchased :**		
	From Entities under common Control		
	Varun Travels (Pvt.) Ltd.	**141.16**	89.34
v)	**Rent Received**		
	To Entities under common Control		
	Bini Commercial Enterprises (Pvt.) Ltd.	**0.63**	2.53
vi)	**Corporate Social Responsibility Expenses**		
	From Entities under common Control		
	Viva Public Charitable Trust	**5.00**	10.10
vii)	**Remuneration**		
	To Key Managerial Personnel		
	Shri Priyam B. Mehta	**134.70**	114.79
	Shri Varun P. Mehta	**134.94**	106.05
	Shri Vishal P. Mehta	**132.04**	105.84
	Shri Rajesh H Shah	**35.22**	25.26
	Shri Narayansingh J. Deora	**36.15**	26.06
	To Relatives of Key Managerial Personnel		
	Smt. Kavisha V. Mehta	**28.63**	18.42
	Smt. Priyanka V. Mehta	**24.06**	-
	Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	-	6.30
viii)	**Directors Sitting Fees**		
	To Relatives of Key Managerial Personnel		
	Smt. Sujata P. Mehta	**2.07**	1.53
ix)	**Deposits Received**		
	To Key Managerial Personnel		
	Shri Priyam B. Mehta	**42.00**	-
	Shri Varun P. Mehta	**66.00**	-
	Shri Vishal P. Mehta	**53.00**	-
	To Relatives of Key Managerial Personnel		
	Smt. Sujata P. Mehta	**64.00**	11.00
x)	**Deposits Paid**		
	To Key Managerial Personnel		
	Shri Priyam B. Mehta	**9.00**	-
	Shri Varun P. Mehta	**9.00**	-

Notes Forming Part of the Financial Statements

a)	**Transactions during the year**	**For the year Ended March 31,2018**	For the year Ended March 31,2017
	Shri Vishal P. Mehta	**9.00**	-
xi)	**Investment made**		
	To a subsidiary Company/LLP		
	Sayaji Ingritech LLP	**209.00**	-
	Sayaji Seeds LLP	**100.00**	80.00
	Sayaji Corn Products Ltd	**-**	5.00
xii)	**Corporate Guarantee Given**		
	To a subsidiary Company/LLP		
	Sayaji Ingritech LLP	**604.54**	-
	Sayaji Seeds LLP	**373.15**	-
b)	**Balances at the end of the year**	**As at March 31,2018**	As at March 31,2017
i)	**Outstanding Receivables**		
	From joint Venture Company		
	Sayaji Sethness Ltd	**0.01**	0.04
	From Entities under common Control		
	N.B. Commercial Enterprises Ltd.	**1.29**	0.52
	Varun Travels (Pvt.) Ltd.	**-**	1.31
	Sayaji Ingritech LLP	**-**	1.30
	Sayaji Samruddhi LLP	**-**	1.32
ii)	**Advances Recoverable**		
	From subsidiary Company/LLP		
	Sayaji Ingritech LLP	**29.78**	-
	Sayaji Seeds LLP	**-**	13.80
iii)	**Outstanding Payables**		
	From Entities under common Control		
	Varun Travels (Pvt.) Ltd.	**1.86**	-
iv)	**Investment**		
	In subsidiary Company/LLP		
	Sayaji Ingritech LLP	**181.76**	-
	Sayaji Seeds LLP	**180.01**	78.80
	Sayaji Corn Products Ltd	**5.00**	5.00
v)	**Loans payable**		
	To Joint Venture Company		
	Sayaji Sethness Ltd	**700.17**	700.00
	To Entities under common Control		
	C. V. Mehta (Pvt.) Ltd.	**32.50**	32.50
	Bini Commercial Enterprises (Pvt.) Ltd.	**6.00**	6.09
	Viva Public Charitable Trust	**-**	0.02
vi)	**Deposits payable**		
	To Key Managerial Personnel		

Notes Forming Part of the Financial Statements

b)	Balances at the end of the year	As at March 31,2018	As at March 31,2017
	Shri Priyam B. Mehta	**146.00**	113.00
	Shri Varun P. Mehta	**62.00**	5.00
	Shri Vishal P. Mehta	**68.00**	24.00
	To Relatives of Key Managerial Personnel		
	Smt.Niramayi B. Mehta	**48.00**	48.00
	Smt. Sujata P. Mehta	**187.50**	123.50
	Smt. Kavisha V. Mehta	**19.00**	19.00
	Priyam B Mehta - HUF	**14.00**	14.00
	Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	**-**	19.00
vii)	**Remuneration payable**		
	To Key Managerial Personnel		
	Shri Rajesh H Shah	**-**	2.17
	Shri Narayansingh J. Deora	**-**	2.11

Note 30 : Financial assets and liabilities

Financial assets by category

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost
Investments in												
- Subsidiaries/LLP & Joint Venture	**486.77**	-	-	-	203.80	-	-	-	120.00	-	-	-
- Equity Shares- Quoted	-	**3.86**	-	-	-	5.58	-	-	-	3.02	-	-
- Equity Shares - UnQuoted	-	-	-	-	-	-	-	-	-	0.35	-	-
- Mutual fund - Quoted	-	**19.56**	-	-	-	18.12	-	-	-	15.77	-	-
Trade receivables	-	-	-	**3,590.75**	-	-	-	3,652.99	-	-	-	3,430.47
Cash & cash equivalents (including other bank balances)	-	-	-	**299.75**	-	-	-	316.74	-	-	-	244.00
Other financial assets												
- Security deposits	-	-	-	**10.56**	-	-	-	8.11	-	-	-	8.35
- Advance to related parties	-	-	-	**30.90**	-	-	-	16.33	-	-	-	0.08
- Financial Derviative Asset	-	**17.88**	-	-	-	154.57	-	-	-	88.47	-	-
- Export Incentive Receivable	-	-	-	**108.48**	-	-	-	51.91	-	-	-	43.35
- Interest Receivable	-	-	-	**0.41**	-	-	-	5.93	-	-	-	18.45
Total Financial assets	**486.77**	**41.30**	**-**	**4,040.85**	203.80	178.27	-	4,052.01	120.00	107.61	-	3,744.70

Notes Forming Part of the Financial Statements

Financial liabilities by category (₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost
Borrowings	-	-	-	9,999.34	-	-	-	9,318.60	-	-	-	9,074.94
Trade payables	-	-	-	3,428.60	-	-	-	4,362.90	-	-	-	5,077.63
Other financial liabilities												
- Security Deposits	-	-	-	14.16	-	-	-	13.12	-	-	-	19.76
- Current maturities of long-term borrowings	-	-	-	1,320.52	-	-	-	1,250.73	-	-	-	1,103.03
- Unpaid Dividend	-	-	-	32.12	-	-	-	27.63	-	-	-	24.10
- Unpaid Matured Public Deposit	-	-	-	91.17	-	-	-	23.36	-	-	-	15.29
- Payables on purchase of fixed assets	-	-	-	171.19	-	-	-	169.56	-	-	-	191.92
- Interest Payable	-	-	-	8.95	-	-	-	17.31	-	-	-	19.90
- Other current financial liabilities	-	-	-	648.73	-	-	-	526.50	-	-	-	657.92
Total Financial liabilities	-	-	-	15,714.78	-	-	-	15,709.71	-	-	-	16,184.49

Note 31 : Fair values

1 **Quantitative disclosures fair value measurement hierarchy for assets**

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 (Valuation date - March 31, 2018)

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	31 March 2018	19.56	-	-	19.56
Equity shares-quoted	31 March 2018	3.86	-	-	3.86
Financial Derviative Asset	31 March 2018	-	17.88	-	17.88

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017 (Valuation date - March 31, 2017)

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	31 March 2017	18.12	-	-	18.12
Equity shares-quoted	31 March 2017	5.58	-	-	5.58
Financial Derviative Asset	31 March 2017	-	154.57	-	154.57

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016 (Valuation date - April 1, 2016)

Notes Forming Part of the Financial Statements

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	1 April 2016	15.77	-	-	15.77
Equity shares-quoted	1 April 2016	3.02	-	-	3.02
Equity shares-Unquoted	1 April 2016	-	-	0.35	0.35
Financial Derviative Asset	1 April 2016	-	88.47	-	88.47

Note 32 : Financial risk management

The Company's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The loans and borrowings are primarily taken to finance and support the Company's operations. The Company's principal financial assets include investments, loans, cash and cash equivalents, trade receivables and other financial assets.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in fianancial instruments for speculative purposes may be undertaken.

1. ***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk or Net assset value("NAV") risk in case of investment in mutual funds. Financial instruments affected by market risk include investments, trade receivables, trade payables, loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Notes Forming Part of the Financial Statements

(₹ In lakhs)

Particulars	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
March 31, 2018		
Rupee borrowings	+50	(40.08)
	-50	40.08
March 31, 2017		
Rupee borrowings	+50	(39.28)
	-50	39.28

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, i.e. when revenue or expense is denominated in a foreign currency.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

All amounts in Lakhs

Particulars	Foreign Currency Amount			Reporting Currency Amount (Rupees)		
	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Accounts Receivable						
USD	16.36	14.09	16.50	1,066.41	921.15	1,094.40
AED	2.59	-	0.49	45.96	-	8.78
Accounts Payable						
EUR	-	-	0.48	-	-	0.36
Advance from Customers						
USD	1.29	-	-	84.25	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ In lakhs)

Particulars	Change in rates	Effect on profit before tax
March 31, 2018	5% -5%	51.42 (51.42)
March 31, 2017	5% -5%	46.06 (46.06)

2 ***Credit Risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Notes Forming Part of the Financial Statements

Trade receivables

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Trade receivables are non-interest bearing and are generally on 0 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2018, March 31, 2017 & April 1, 2016 is the carrying amount as disclosed in Note 9 and 12 except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 34.

3 Liquidity Risk

The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's financial liabilities (including future interest payable) based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
As at year ended				
March 31, 2018				
Borrowings (including current maturities of long-term borrowings)	8,171.33	3,148.53	-	11,319.86
Trade & other payables	3,428.60	-	-	3,428.60
Other financial liabilities	952.16	14.16	-	966.32
March 31, 2017				
Borrowings (including current maturities of long-term borrowings)	7,390.99	3,178.34	-	10,569.33
Trade & other payables	4,362.90	-	-	4,362.90
Other financial liabilities	764.36	13.12	-	777.48
April 1, 2016				
Borrowings (including current maturities of long-term borrowings)	6,322.09	3,855.88	-	10,177.97
Trade & other payables	5,077.63	-	-	5,077.63
Other financial liabilities	909.13	19.76	-	928.89

Note 33 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

Notes Forming Part of the Financial Statements

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Interest-bearing loans and borrowings (Note 16 & 18)	**11,411.03**	10,592.69	10,193.26
Less: cash and cash equivalent and other bank balances (Note 10)	**(299.75)**	(316.74)	(244.00)
Net debt	**11,111.28**	**10,275.95**	**9,949.26**
Equity share capital (Note 14)	**316.00**	79.00	79.00
Other equity (Note 15)	**5,369.04**	5,205.73	4,931.33
Total capital	**5,685.04**	**5,284.73**	**5,010.33**
Capital and net debt	**16,796.32**	**15,560.68**	**14,959.59**
Gearing ratio (%)	***66.15%***	***66.04%***	***66.51%***

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017and April 1, 2016.

NOTE 34 : CONTINGENT LIABILITIES **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
(a) Bills discounted but not matured	**47.21**	86.05	78.06
(b) Guarantees given by the Bankers on behalf of the Company.	**195.62**	195.62	202.87
(c) Disputed demand of Income Tax as the Company expects to succeed in the appeal.	**16.16**	12.42	12.71
(d) Disputed demand of Value Added Tax as the Company expects to succeed in the appeal.	**9.03**	9.03	-
(e) Guarantee to Bank against credit facilities (Fund Based & Non Fund Based Limits) extended to the other company (To the extent of credit facilities enjoyed as at the date of Balance Sheet)	**2,556.82**	1,822.59	1,186.10

NOTE 35 : COMMITMENTS AND OBLIGATIONS **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	**508.84**	145.11	45.35

Notes Forming Part of the Financial Statements

NOTE 36 : DISCLOSURE OF MICRO, SMALL AND MEDIUM ENTERPRISES

No disclosure have been made under the Micro, Small and Medium Enterprises Development Act, 2006 in note 17, for the year 2017-18. The company has undertaken that it has made sufficient efforts to get the necessary information from the "suppliers" regarding their status under the Act. This has been relied upon by the Auditors.

NOTE 37 : LEASES

The Company has entered into agreements for taking on leave and license basis , for a period of 5 years. The specified disclosure in respect of these agreements is given below:

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
A. Lease payments recognised in the statement of Profit and Loss	**116.29**	123.02
B. Future Minimum Lease Payments		
(i) Not Later than one year	49.88	119.70
(ii) Later than one year, but not later than five years	-	49.88
(iii) Later than five years	-	-

NOTE 38 : SEGMENT REPORTING

The company has presented segment information in the consolidated financial statements which are presented in this same annual report. Accordingly, in terms of Ind AS 108 'Operating Segments', no disclosure relating to segments are presented in these standalone financial statements.

NOTE 39 : EARNING PER SHARE

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Basic and Diluted EPS		
a) Computation of Profit (Numerator)		
Profit available to Equity Shareholders	**542.93**	393.25
b) Weighted Average Number of Shares (Denominator)		
Weighted average number of Equity Shares of ₹ 10 each (PY ₹ 100 each) used for Calculation of basic and diluted Earning Per Share.	**3160000**	3160000
c) Basic and Diluted EPS (In Rupees)	**17.18**	12.44*

* The company has issued and alloted 23,70,000 equity shares to the eligible holders of equity shares on the book closure date i.e. 12th June, 2017 as bonus equity shares by capitalizing reserves of the company. The earning per share for the year ended 31st March, 2017 have been adjusted to give effect to the allotment of bonus shares, as required by Ind AS-33.

NOTE 40 : DIVIDEND ON EQUITY SHARES

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Dividend declared and paid during the year		
Final Dividend of ₹.150/- Per Share for the FY 2016-17 (₹ 125/- Per Share for the FY 2015-16)	**118.50**	98.75

Notes Forming Part of the Financial Statements

NOTE 41 : EXPENDITURE FOR COPORATE SOCIAL RESPONSIBILITY ACTIVITIES

During the year ended March 31, 2018, the company has spent ₹ 15.48 Lakhs towards Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 and Rules thereon by way of contribution to various Trusts/NGOs/Societies/Agencies.

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Gross Amount required to be spent by the company	**15.00**	19.06
Amount Spent during the year on		
Construction / Acquisition of any asset		
In Cash	-	-
Yet to be paid	-	-
Total	-	-
On purpose other than above		
In Cash	**15.48**	19.13
Yet to be paid	-	-
Total	**15.48**	19.13

Note 42 : DISCLOSURE REGARDING DERIVATIVE INSTRUMENTS :

1 The Company has taken derivatives to hedge its trade receivable. The outstanding position of derivative instruments is as under:

Nature	Purpose	As at 31st March, 2018		As at 31st March, 2017	
		INR (₹ In Lakhs)	Foreign Currency	INR (₹ In Lakhs)	Foreign Currency
Forward Contracts	Hedgin of Trade Receivable	**379.24**	**5,81,926**	506.29	7,69,694

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	Currency	As at 31st March, 2018		As at 31st March, 2017	
		INR (₹ In Lakhs)	Foreign Currency	INR (₹ In Lakhs)	Foreign Currency
Trade Receivables	USD	**687.17**	**10,54,425**	414.85	6,39,714
Trade Receivables	AED	**45.96**	**2,59,371**	-	-

Note : The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twelve months.

Note 43 : Events after reporting period

The Board of Directors of the Company has recommended a final dividend of ₹ 3.75 per equity share of ₹ 10 each aggregating ₹ 118.50 Lakhs for the year ended March 31, 2018, subject to the approval of shareholders at the ensuing annual general meeting.

Notes Forming Part of the Financial Statements

Note 44 : Other Notes

i Payment to Auditors

Details of payment to Auditors are as follows:

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Audit fees	**6.00**	8.00
Tax audit fees	**1.00**	**0.75**
Certification and other services	**3.82**	**27.33**
Total	**10.82**	**36.08**

ii The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the standalone financial statements of the Company prepared in accordance with previous GAAP.

Note 45 : Exceptional Items pertaining to previous financial year

Exceptional items for Financial Year 2016-17 represents sundry balances written off/(written back), which are no longer recoverable/payable. The same represents (i) balances no longer recoverable from customers (net of advances) ₹ 19.35 Lakhs, (ii) balances no longer payable to vendors (net of advances) ₹ (12.98) Lakhs and (iii) other sundry balances no longer payable ₹ (14.51) Lakhs.

As per our attached report of even date

For, Shah & Shah Associates
Chartered Accountants
FRN : 113742W

Bharat A. Shah
Partner
Membership No. 030167

Ahmedabad
Date : May 16, 2018

Priyam B. Mehta
Chairman & Managing Director

CA Mahendra N. Shah
Director

CA Chirag M. Shah
Director

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

Varun P. Mehta
Executive Director

Dr. Gaurang K. Dalal
Director

Sujata P. Mehta
Director

Rajesh H. Shah
Company Secretary

Vishal P. Mehta
Executive Director

Ahmedabad
Date : May 16, 2018

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

SAYAJI INDUSTRIES LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **SAYAJI INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries and its joint venture (together, "the Group") which comprises of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Cash Flow for the year then ended and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including Ind AS, of the consolidated state of affairs of the Group as at 31st March,2018, and their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter:

a) We did not audit the financial statements of three subsidiaries whose financial statements reflect total assets of ₹ 1853.85 lakhs as at 31st March, 2018, total revenues of ₹.675.17 lakhs, Net loss after tax of ₹.34.59 Lacs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

b) The accompanying consolidated financial results include company's share of Net Profit after tax of ₹.129.05 Lacs (after adjusting other comprehensive income) for the year ended on that date, in respect of a Joint Venture, which has been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture is based solely on the reports of such other auditors.

c) The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April,2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by another auditor, whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 26th May,2017 and 30th May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.

c) The consolidated financial statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the group and the operating effectiveness of such controls, refer to our Separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

   (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint venture incorporated in India.

For SHAH & SHAH ASSOCIATES
Chartered Accountants
(FRN:113742W)
BHARAT A SHAH
Partner
(Membership Number: 030167)

Place : Ahmedabad
Date : May 16, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Control over financial reporting of **SAYAJI INDUSTRIES LIMITED** ("the Holding Company") as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary companies and a joint venture incorporated in India as of that date.

Management Responsibility for the Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and a joint venture which is a company incorporated in India , are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and a joint venture which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a joint venture, which is a company incorporated in India, is based on the corresponding report of the other auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For SHAH & SHAH ASSOCIATES

Chartered Accountants

(FRN:113742W)

BHARAT A SHAH

Partner

(Membership Number: 030167)

Place : Ahmedabad

Date : May 16, 2018

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CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in Lakhs)

		Note No.	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
A	**ASSETS**				
1	**NON CURRENT ASSETS**				
	(a) Property, Plant and Equipment	6	**15,510.33**	13,200.93	12,900.49
	(b) Capital Work-in-Progress	6	**399.35**	265.89	158.04
	(c) Other Intangible Assets	7	**76.00**	90.25	109.30
	(d) Financial Assets				
	(i) Investment	8	**858.70**	789.62	722.05
	(ii) Other Financial Assets	11	**40.28**	8.56	8.35
	(e) Non Current Tax Assets	21	**108.78**	103.50	111.67
	(d) Other Non Current Assets	12	**195.28**	33.51	92.37
	TOTAL NON CURRENT ASSETS		**17,188.72**	14,492.26	14,102.27
2	**CURRENT ASSETS**				
	(a) Inventories	13	**4,414.51**	4,213.34	4,552.83
	(b) Financial Assets				
	(i) Trade Receivables	9	**3,815.75**	3,687.90	3,430.47
	(ii) Cash and Cash Equivalents	10	**89.25**	117.65	68.69
	(iii) Other Bank Balances	10	**224.45**	206.19	175.31
	(iv) Other Financial Assets	11	**129.39**	214.94	150.35
	(c) Other Current Assets	12	**562.73**	916.23	1,430.56
	TOTAL CURRENT ASSETS		**9,236.08**	9,356.25	9,808.21
	TOTAL ASSETS		**26,424.80**	23,848.51	23,910.48
B	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a) Equity Share Capital	14	**316.00**	79.00	79.00
	(b) Other Equity	15	**6,084.22**	5,851.64	5,514.24
	Equity attributable to equity holders of the Parent		**6,400.22**	5,930.64	5,593.24
	(c) Non Controlling Interest		**76.61**	8.67	-
	TOTAL EQUITY		**6,476.83**	5,939.31	5,593.24
	LIABILITIES				
2	**NON CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	16	**3,468.07**	3,178.34	3,855.88
	(ii) Other Financial Liabilities	18	**30.95**	16.06	19.76
	(b) Provisions	20	**330.01**	230.39	326.54
	(c) Deferred Tax Liabilities (Net)	21	**1,006.55**	836.33	825.26
	TOTAL NON CURRENT LIABILITIES		**4,835.58**	4,261.12	5,027.44
3	**CURRENT LIABILITIES**				
	(a) Financial Liabilities				
	(i) Borrowings	16	**7,518.62**	6,164.88	5,219.06
	(ii) Trade Payables	17	**3,638.41**	4,411.04	5,077.63
	(iii) Other Financial Liabilities	18	**2,379.39**	2,015.09	2,012.16
	(b) Other Current Liabilities	19	**1,229.07**	782.95	722.26
	(c) Provisions	20	**322.04**	234.39	243.27
	(d) Current Tax Liabilities (Net)	21	**24.86**	39.73	15.42
	TOTAL CURRENT LIABILITIES		**15,112.39**	13,648.08	13,289.80
	TOTAL LIABILITIES		**19,947.97**	17,909.20	18,317.24
	TOTAL EQUITY AND LIABILITIES		**26,424.80**	23,848.51	23,910.48

See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies) **1-46**

As per our attached report of even date

For, Shah & Shah Associates Chartered Accountants FRN : 113742W	**Priyam B. Mehta** Chairman & Managing Director	**Varun P. Mehta** Executive Director	**Vishal P. Mehta** Executive Director
Bharat A. Shah Partner Membership No. 030167	**CA Mahendra N. Shah** Director	**Dr. Gaurang K. Dalal** Director	
	CA Chirag M. Shah Director	**Sujata P. Mehta** Director	
Ahmedabad Date : May 16, 2018	**CA Narayansingh J. Deora** Sr. Executive V. P. (Accounts)	**Rajesh H. Shah** Company Secretary	Ahmedabad Date : May 16, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

	Note No.	For the year 2017-18	For the year 2016-17
INCOME			
1 Revenue from Operations	23	59,359.98	56,305.58
2 Other Income	24	334.14	521.93
3 **TOTAL INCOME**		59,694.12	56,827.51
4 **EXPENSES**			
(a) Cost of Materials Consumed	25.a	35,560.32	33,789.88
(b) Purchases of Stock-In-Trade	25.b	3.08	1.45
(c) Changes in Inventories of Finished Goods Work in Progress and Stock-in-trade	25.c	(25.62)	(355.83)
(d) Employee Benefit Expenses	26	5,609.27	4,346.35
(e) Finance Costs	27	1,246.54	1,141.32
(f) Excise Duty On Sales		743.50	3,157.30
(g) Depreciation and Amortisation Expense	6 - 7	839.63	873.75
(h) Other Expenses	28	14,846.26	13,331.67
5 **TOTAL EXPENSES**		58,822.98	56,285.89
6 **PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX**		871.14	541.62
7 **SHARE OF PROFIT IN JOINT VENTURE**		129.37	123.01
8 **EXCEPTIONAL ITEMS [Refer Note 45]**		-	8.14
9 **PROFIT BEFORE TAX**		1,000.51	672.77
10 **TAX EXPENSE:**	21		
(a) Current Tax		173.00	138.25
(b) MAT credit recognised		(87.57)	(132.33)
(c) Short/(Excess) provision of earlier years		0.16	5.95
Net Current tax expenses		85.59	11.87
(d) Deferred Tax		250.84	143.84
Net Tax Expenses		336.43	155.71
11 **PROFIT AFTER TAX**		664.08	517.06
12 **OTHER COMPREHENSIVE INCOME**			
a. Item that will be reclassified to Profit and Loss Account		-	-
b. Item that will not be reclassified to Profit and Loss Account		(0.45)	(1.37)
c. Income tax related to above items		0.12	0.45
	Total	(0.33)	(0.92)
13 **TOTAL COMPREHENSIVE INCOME FOR THE YEAR**		663.75	516.14
14 **EARNING PER EQUITY SHARE**	39		
(a) Basic		21.00	16.33
(b) Diluted		21.00	16.33
See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies)	1-46		

As per our attached report of even date

For, Shah & Shah Associates	**Priyam B. Mehta**	**Varun P. Mehta**	**Vishal P. Mehta**
Chartered Accountants FRN : 113742W	Chairman & Managing Director	Executive Director	Executive Director
Bharat A. Shah Partner Membership No. 030167	**CA Mahendra N. Shah** Director	**Dr. Gaurang K. Dalal** Director	
	CA Chirag M. Shah Director	**Sujata P. Mehta** Director	
Ahmedabad Date : May 16, 2018	**CA Narayansingh J. Deora** Sr. Executive V. P. (Accounts)	**Rajesh H. Shah** Company Secretary	Ahmedabad Date : May 16, 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in Lakhs)

		For the Year ended 31st March, 2018		For the Year ended 31st March, 2017	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net profit before tax		**1,000.51**		672.77
	Adjustments for:				
	Depreciation and Amortisation	**839.63**		873.75	
	Interest Expenses	**1,246.54**		1141.32	
	Dividend Income	**(60.04)**		(60.03)	
	Share of Non Controlling Interest in loss for the year	**8.45**		0.13	
	Provision for Doubtful Advances	**-**		83.00	
	Provision for Doubtful Trade Receivable	**21.58**		76.52	
	Profit from Joint Venture	**(129.37)**		(123.01)	
	Insurance Claim Received	**-**		(106.91)	
	(Profit)/Loss on sale of Fixed Assets	**9.59**		11.29	
	Investment Written off	**-**		0.35	
	MTM loss on Long Term Investment	**0.29**		(4.91)	
	MTM Gain of Derivative Financial Instruments	**(17.88)**		(154.57)	
	Unrealised Exchange fluctuation (Gain)/Loss	**(28.19)**		(9.88)	
			1,890.60		1,727.05
	Operating profit before working capital changes		**2,891.11**		2,399.82
	Adjustments for:				
	Trade and Other Receivables	**303.94**		197.04	
	Inventories	**(201.17)**		339.49	
	Trade and Other Payables	**(6.23)**		(846.48)	
			96.54		(309.95)
	Cash Generated From Operations		**2,987.65**		2,089.87
	Income Taxes paid		**(186.25)**		(111.71)
	Net Cash From Operating Activities		**2,801.40**		1,978.16
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(3,535.36)**		(1,238.84)	
	Sale of Fixed Assets	**97.39**		107.97	
	Non Controlling Interest	**67.94**		8.67	
	Purchase of Investments	**60.00**		60.00	
	Dividend Received	**60.04**		60.03	
	Interest Received	**14.36**		-	
	Cash & Cash Equivalent not considered as Cash & Cash Equivalent -Balance in Earmarked accounts	**(18.26)**		(30.88)	
	Net Cash From Investing Activities		**(3,253.89)**		(1,033.05)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from Borrowings	**2,868.56**		1,158.98	
	Repayment of Loans	**(980.96)**		(734.94)	
	Interest Paid	**(1,260.90)**		(1,141.32)	
	Dividend & Tax thereon paid	**(202.62)**		(178.87)	
	Net Cash Generated in Financing Activities		**424.08**		(896.15)
	Net Changes in Cash & Cash Equivalents (A+B+C)		**(28.41)**		48.96
	Add: Cash and Cash Equivalents at the beginning of the year		**117.65**		68.69
	Cash and Cash Equivalents at the end of the year		**89.24**		117.65

Notes:

1.	A)	Components of cash & cash equivalents		
		Cash on hand	**7.01**	21.53
		Balance with banks		
		- In Current Accounts	**82.24**	96.12
			89.25	117.65
	B)	Cash and cash equivalent not available for immediate use		
		In Margin money and Fixed Deposit Accounts	**192.33**	178.56
		Unclaimed Dividend Accounts	**32.12**	27.63
			224.45	206.19
		Cash & Cash Equivalents as per Note 10 (A+B)	**313.70**	323.84

2. The above cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standards - 7 "Statement of Cash Flows".
3. Effective April 1, 2017, the group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.
4. The previous year's figures have been regrouped wherever necessary.

See accompaning Notes Forming Part of the Financial Statements (Including Significant Accounting Policies) (Note 1-46)

As per our attached report of even date
For, Shah & Shah Associates
Chartered Accountants
FRN : 113742W
Bharat A. Shah
Partner
Membership No. 030167

Priyam B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

Vishal P. Mehta
Executive Director

CA Mahendra N. Shah
Director

Dr. Gaurang K. Dalal
Director

CA Chirag M. Shah
Director

Sujata P. Mehta
Director

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

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : May 16, 2018

Ahmedabad
Date : May 16, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON MARCH 31,2018

(₹ in Lakhs)

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2016	79.00
Changes in Equity share capital during the year	-
Balance as at March 31, 2017	**79.00**
Balance as at March 31, 2017	79.00
Changes in Equity share capital	
Issue of Bonus Shares during the Year	237.00
Balance as at March 31, 2018	**316.00**

B. Other equity

(₹ In Lakhs)

Particulars Attributable to the equity holders of the Company							
	Reserve and Surplus						Total
	Capital Redemption Reserve	General Reserve	Security Premium	Retained Earnings	Total Other equity attributable to the owners of the company	Non-Controlling Interest	
Balance as at April 1, 2016	**53.59**	**4,149.93**	**275.50**	**1,035.22**	**5,514.24**	**-**	**5,514.24**
Profit For the year	-	-	-	517.19	517.19	(0.13)	517.06
Items of OCI, net of tax							
Re-measurement losses on defined benefit plans	-	-		(0.92)	(0.92)	-	(0.92)
Net gain / (loss) on instruments carried at fair value through OCI	-	-	-	-		-	-
Dividend including Dividend Distribution Tax				(178.87)	(178.87)		(170.07)
Addition/adjustments during the year						8.80	
Balance as at March 31, 2017	**53.59**	**4,149.93**	**275.50**	**1,372.62**	**5,851.64**	**8.67**	**5,860.31**
Balance as at April 1, 2017	**53.59**	**4,149.93**	**275.50**	**1,372.62**	**5,851.64**	**8.67**	**5,860.31**
Profit For the year	-	-	-	672.53	672.53	(8.45)	664.08
Amount utilised for issue of Bonus Shares	(53.59)	-	(183.41)	-	(237.00)		(237.00)
Items of OCI, net of tax							-
Re-measurement losses on defined benefit plans	-	-	-	(0.33)	(0.33)		(0.33)
Net gain / (loss) on instruments carried at fair value through OCI	-	-	-	-			-
Dividend including Dividend Distribution Tax	-	-	-	(202.62)	(202.62)		(202.62)
Addition/adjustments during the year						76.39	
Balance as at March 31, 2018	**-**	**4,149.93**	**92.09**	**1,842.20**	**6,084.22**	**76.61**	**6,160.83**

Notes forming part of financial statements (including significant accounting policies) (Notes 1-46)

As per our attached report of even date

For, Shah & Shah Associates
Chartered Accountants
FRN : 113742W

Bharat A. Shah
Partner
Membership No. 030167

Ahmedabad
Date : May 16, 2018

Priyam B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

Vishal P. Mehta
Executive Director

CA Mahendra N. Shah
Director

Dr. Gaurang K. Dalal
Director

CA Chirag M. Shah
Director

Sujata P. Mehta
Director

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

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : May 16, 2018

Notes Forming Part of the Consolidated Financial Statements

Note 1 : Corporate Information

The Consolidated financial statements comprise financial statements of Sayaji Industries Limited ("the Parent Company") and its subsidiaries Sayaji Corn Products Ltd, Sayaji Seeds LLP, Sayaji Ingritech LLP and Joint Venture company Sayaji Sethness Ltd (collectively referred to as "the Group") for the year ended 31st March, 2018. The parent company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Parent Company's shares are listed on BSE, a recognised stock exchange, in India. The registered office of the parent company is located at P.O.Kathwada, Ahmedabad.

The Group manufactures starches, modified starches as well as other derivatives like Liquid Glucose, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol and its by-products like Maize Oil, Maize Gluten. The Group also manufactures caramel colour, spray drying of fruits & vegetables powder, processing & selling of seeds at Ahmedabad. The Group cater its products to Textile, Pharmaceutical, Foods & beverages Industries, Paper & Packaging, Confectionary, Soaps & Detergent industries, Seeds Industries. Further details about the business operations of the group are provided in note 38 - Segment Information.

The Consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2018.

Note 2 : Basis of Preparation

The Consolidated financial statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the Group's first Consolidated financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Group in terms of Ind AS 101 'First time adoption of Indian Accounting standards'. Reconciliations and descriptions of the effect of the transition have been summarized in Note 5.

The Consolidated financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs (Rupees 00,000), except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

Principles of consolidation and equity accounting

(I) Subsidiaries

Subsidiaries are all entities over which the group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adapted by the Group.

Non-controlling interests, if any, in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Joint Venture

A Joint Venture is a type of joint arrangement whereby the parties that have joint control of arrangement have rights to the net assets of the joint venture. Joint Control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activity require unanimous consent of the parties sharing control.

The groups investment in joint venture is accounted for using the equity method.

Notes Forming Part of the Consolidated Financial Statements

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in Note 3(A) 11.

The subsidiary and Joint Venture Companies considered in the consolidated financial statements are :

Sr. No.	Name of the Company	Relationship	Country of incorporation	% of Holding	
				Current Year	Previous Year
1	Sayaji Seeds LLP	Subsidiary	India	89.86%	90.00%
2	Sayaji Ingritech LLP	Subsidiary	India	76.00%	0.00%
3	Sayaji Corn Products Ltd	Subsidiary	India	100.00%	100.00%
4	Sayaji Sethness Ltd	Joint Venture	India	40.00%	40.00%

Note 3 : Significant Accounting Policies and Key Accounting Estimates

(A) Significant Accounting Policies

1 Current / non-current classification

The Group presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;

b) held primarily for the purpose of trading;

c) expected to be realised within twelve months after the reporting period; or

d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

a) expected to be settled in normal operating cycle;

b) held primarily for the purpose of trading;

c) due to be settled within twelve months after the reporting period; or

d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing and their realisation in cash and cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2 Foreign Currencies

The Group's Consolidated financial statements are prepared in Indian Rupee ("INR") which is the also the functional currency of parent Company & its Subsidiaries.

Transactions and balances

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction, i.e. spot rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Notes Forming Part of the Consolidated Financial Statements

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3 Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Group after discussion with and approval by the Group's Senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group, after discussions with its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

4 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

Pre-operative expenditure comprising of revenue expenses incurred in connection with project

Notes Forming Part of the Consolidated Financial Statements

implementation during the period upto commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of Property, Plant and Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in statement of profit and loss.

Freehold land is carried at historical cost and not depreciated.

Depreciation on all fixed assets is provided on Straight Line Method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on Property, Plant and Equipment 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.

The Group assesses at each reporting date using external and internal sources, whether there is an indication that an asset may be impaired. An impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

5 Leases

The determination of whether an arrangement is (or contains) a lease or not is based on the substance of the arrangement at the inception of the lease. The arrangement is, (or contains), a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. The Group does not have any arrangement during or at the reporting period that can be classified as finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7 Intangible Assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful economic life of intangible assets varies from 6 years to 10 years.

The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Intangible assets are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit and loss in the period of derecognition.

The group has elected to measure all its intangible assets and investment property at the previous GAAP

Notes Forming Part of the Consolidated Financial Statements

carrying amount as its deemed cost on the date of transition to Ind AS.

8 **Inventories**

Inventories are valued at lower of cost and net realisable value, except by-products whch 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 (including Packing Materials & Chemicals),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 sale.

9 **Impairment of non-financial Assets**

The Group assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses on assets no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

10 **Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on Ind AS 18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT)/Goods and Service Tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and

Notes Forming Part of the Consolidated Financial Statements

allowances, trade discounts and volume rebates.

Export Incentives

Export benefits are accounted for in the year of the exports based on the eligibility and when there is no uncertainity in receiving the same.

Interest Income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Insurance Claims

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that the amount recoverbale can be measured reliably and it is reasonable to expect ultimate collection.

Dividends

Revenue is recognised when the respective Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in operating income in the statement of profit and loss due to its operating nature.

11 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries and Joint Ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

IInvestments in subsidiaries and Joint Venture are carried at cost as per Ind AS 27 'Separate Financial Statements'.

Subsequent measurement

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

a) Debt instruments at amortised cost;

b) Debt instruments at fair value through other comprehensive income (FVTOCI); and

c) Other financial instruments measured at fair value through profit and loss (FVTPL).

a) Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from

Notes Forming Part of the Consolidated Financial Statements

impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and

ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Other financial instruments measured at fair value through profit and loss (FVTPL)

Any financial asset that does not qualify for amortised cost measurement or measurement at FVTOCI must be measured subsequent to initial recognition at FVTPL.

d) Forward Contracts measured at fair value through other comprehensive income or fair value through profit and loss.

Forward contract which meet the criteria of hedge effectiveness are cashflow hedge which are measured at FVTOCI and which fails to meet the effectiveness criteria are measured at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Financial assets that are debt instruments and are measured as at FVTOCI;

c) Lease receivables under Ind AS 17; and

d) Financial guarantee contracts which are not measured as at FVTPL.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss or as those measured at amortised cost.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at fair value through profit and loss.

Financial liabilities at fair value through profit and loss include financial liabilities held for trading and

Notes Forming Part of the Consolidated Financial Statements

financial liabilities designated upon initial recognition as at fair value through profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit & loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

b) Financial liabilities at amortised cost

Financial liabilities at amortised cost include loans and borrowings and payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

12 Derivative Financial Instruments

The group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks such as forward currency contracts. Further details of derivatives financial instruments are disclosed in note 42.

Derivatives are remeasured at FVTPL at the end of each reporting period and the resulting gain or loss is recognised in the statement of profit and loss.

13 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

14 Taxes on Income

Tax on Income comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liability are generally recorded for all temporary timing differences. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary

Notes Forming Part of the Consolidated Financial Statements

differences can be utilised. Deferred tax relating to items recognized outside the statement of profit and loss is recognized outside the statement of profit and loss, either in other comprehensive income or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the group recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The group reviews such tax credit asset at each reporting date and writes down the asset to the extent the group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

15 Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post- Employment Benefits

Defined Contribution Plans

The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit Plans

The Group pays gratuity to the employees who have completed five years of service with the Group at the time of resignation /superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the payment of Gratuity Act 1972.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees. The gratuity fund has been approved by respective Income Tax authorities.

The liability in respect of gratuity and other post-employment benefits is calculated using the projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.

AS per IND AS 24, when a company pays insurance premiums to fund a post-employment benefit plan, the group shall treat such a plan as a defined contribution plan unless the company will have (either directly, or indirectly through the plan) a legal or constructive obligation either:

(a) to pay the employee benefits directly when they fall due; or

(b) to pay further amounts if the insurer does not pay all future employee benefits relating to employee service in the current and prior periods. If the group retains such a legal or constructive obligation, the company shall treat the plan as a defined benefit plan.

Other Long Term Employment Benefits

Provision in respect of accumulated leave encashment/compensated absences is made as per actuarial valuation report.

16 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either

Notes Forming Part of the Consolidated Financial Statements

reduce future earnings per share or increase loss per share, are included.

17 Dividend Distribution

The Group recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

18 Provisions & Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability arises when the Group has:

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) a present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded in the financial statement but, rather, are disclosed in the note to the financial statements.

(B) <u>Key Accounting Estimates</u>

1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

3 Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies

The Group has ₹.538.60 Lakhs as at March 31, 2018 (₹.458.10 Lakhs as at March 31, 2017 and ₹.325.78 Lakhs as at April 1, 2016) of tax credits carried forward. These credits can be utilised over the period of 15 years. The Group has taxable temporary difference and tax planning opportunities available that could

Notes Forming Part of the Consolidated Financial Statements

support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward. Refer to Note 21 for further details.

4 Defined benefit plan

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 22 for further details.

5 Property, Plant and Equipment

Refer to Note 3 (A) - 4 for the estimated useful life of Property, Plant and Equipment. The carrying values of Property, Plant and Equipment have been disclosed in Note 6.

6 Intangible assets

Refer to Note 3 (A) - 7 for the estimated useful life of Intangible assets. The carrying values of Intangible assets have been disclosed in Note 7.

7 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating and type of customer, etc. The allowances for doubtful trade receivables were ₹.100.16 lakhs as at March 31, 2018 (as at March 31, 2017 : ₹.140.03 lakhs and April 1, 2016 : ₹.63.51 lakhs).

Individual trade receivables are written off when the management deems them not to be collectable.

Note 4 : Recent accounting pronouncements

Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs("MCA") has issued certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board(IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

The Group is assessing the potential effect of the amendments on its financial statements. The Group will adopt these amendments, if applicable, from their applicability date.

Notes Forming Part of the Consolidated Financial Statements

Note 5 : TRANSITION TO IND AS

These financial statements are the Group's first standalone financial statements prepared in accordance with Ind AS based on the permissible options and exemptions available to the Group in terms of Ind AS 101 'First time adoption of Indian Accounting Standards'. For periods up to and including the year ended on March 31, 2017, the Group prepared its Consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (previous GAAP).

Accordingly, the Group has prepared its Consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its previous GAAP financial statements, including the balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

5.1 Optional exemptions availed

1 Investment in subsidiaries and associate

The Group has elected the option provided under Ind AS 101 to measure all its investments in subsidiaries and associate at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

2 Fair value measurement of financial assets or financial liabilities at Initial Recognition

Group has elected to apply requirement in paragraph B5.1.2A of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS,

3 Deemed Cost

The group has elected to measure all its intangible assets and investment property at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS,

5.2 Applicable mandatory exceptions

1 Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies, if any) apart from the following items where application of previous GAAP did not require estimation:

- FVTPL investments
- FVTOCI – debt securities
- Impairment of financial assets based on expected credit loss model

2 Classification and measurement of financial assets

As required under Ind AS 101, the classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of the facts and circumstances that existed on the date of transition to Ind AS,

Notes Forming Part of the Consolidated Financial Statements

5.3 Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity between previous GAAP and Ind AS

(₹ In Lakhs)

Particulars	Notes	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP		**5,920.27**	5,332.15
Impact of fair valuation of investments (other than investment in subsidiaries and associate)	i	**5.88**	0.97
Impact of amortisation of loan processing charges	ii	**6.51**	11.45
Impact of Fair valuation of Forward Contract	iii	**-**	88.47
Proposed Dividend reveresed including Tax on Dividend	iv	**-**	191.08
Tax impact on Ind AS adjustments	v	**(2.02)**	(30.88)
Equity as per Ind AS		**5,930.64**	5,593.24

2. Total comprehensive income reconciliation for the year ended March 31, 2017

(₹ In Lakhs)

Particulars	Notes	For the year ended on March 31, 2017
Net profit under previous GAAP		**528.77**
Impact of gain / (loss) on fair valuation of investments (other than investment in subsidiaries and associate)	i	**4.91**
Impact of amortisation of loan processing charges	ii	**(4.94)**
Tax impact on Ind AS adjustments	v	**(0.39)**
Share in Dividend Distribution Tax reclassified from equity due to change in method of consolidation		**(12.21)**
Net profit under Ind AS		**516.14**

Notes :

i Fair valuation of investments (other than investment in subsidiaries and associate)
Under previous GAAP, the current investments were measured at lower of the cost or market value . Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the statement of profit and loss or other comprehensive income (based on the category in which they are classified).

ii Amortisation of loan processing charges
Under previous GAAP, the loan processing charges were normally recognised as expense as and when incurred. Under Ind AS, borrowings have been measured at amortised cost using effective interest rate. This has resulted into amortisation of loan processing charges over the period of borrowings.

iii Fair valuation of forward contract
Under previous GAAP, net MTM losses outstanding for forward contracts are recognised in profit and loss account and net gain, if any, were ignored. Under Ind AS, all outstanding forward contracts on period end date shall be measured at fair value received from the bank and MTM value of the same shall be accounted at fair value through profit and loss account.

iv Proposed dividend and tax thereon
Under previous GAAP, dividend payable is recorded as a liability in the period for which it is being proposed. Under Ind AS, dividend is recognised as a liability in the period in which the obligation to pay is established.

v Tax impacts on Ind AS adjustments
The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in changes in the taxes. The resulting changes have been recognised in the retained earnings on the date of transition and the changes in the taxes in the subsequent periods are recognised in the statement of profit and loss or other comprehensive income, as the case may be.

3. Adjustments to Statement of Cash Flows for the year ended 31st March, 2017

There were no material differences between the Statement of Cash Flows presented under Ind AS and the Previous GAAP.

Notes Forming Part of the Consolidated Financial Statements

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

(₹ In Lakhs)

Particulars	Freehold land	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment	Vehicles	Other Agriculture Equipments	Total	Capital Work-in-Progress
Gross carrying amount									
As at April 1, 2016	0.80	3,044.53	17,315.16	177.36	220.67	560.24	0.35	21,319.11	158.04
Additions during the year	-	205.25	925.14	7.99	22.15	6.92	-	1,167.45	204.37
Deductions during the year	-	-	(47.92)	-	-	-	-	(47.92)	-
Capitalised from/reduction in CWIP	-	-	-	-	-	-	-	-	(96.52)
As at March 31,2017	0.80	3,249.78	18,192.38	185.35	242.82	567.16	0.35	22,438.64	265.89
As at April 1, 2017	0.80	3,249.78	18,192.38	185.35	242.82	567.16	0.35	22,438.64	265.89
Additions during the year	-	686.04	1,972.86	29.96	44.59	503.34	-	3,236.79	337.83
Deductions during the year	-	-	-	-	-	(266.22)	-	(266.22)	-
Capitalised from/reduction in CWIP	-	-	-	-	-	-	-	-	(204.37)
As at March 31,2018	0.80	3,935.82	20,165.24	215.31	287.41	804.28	0.35	25,409.21	399.35
Accumulated depreciation									
As at April 1, 2016	-	757.17	7,183.90	122.20	144.70	210.31	0.34	8,418.62	-
Depreciation for the year	-	118.52	635.85	9.59	24.81	65.93	-	854.70	-
Deductions during the year	-	-	(35.61)	-	-	-	-	(35.61)	-
As at March 31,2017	-	875.69	7,784.14	131.79	169.51	276.24	0.34	9,237.71	-
As at April 1, 2017	-	875.69	7,784.14	131.79	169.51	276.24	0.34	9,237.71	-
Depreciation for the year	-	118.30	579.79	11.64	28.71	81.97	-	820.41	-
Deductions during the year	-	-	-	-	-	(159.24)	-	(159.24)	-
As at March 31,2018	-	993.99	8,363.93	143.43	198.22	198.97	0.34	9,898.88	-
Net Carrying Amount									
As at March 31,2018	0.80	2,941.83	11,801.31	71.88	89.19	605.31	0.01	15,510.33	399.35
As at March 31,2017	0.80	2,374.09	10,408.24	53.56	73.31	290.92	0.01	13,200.93	265.89
As at April 1, 2016	0.80	2,287.36	10,131.26	55.16	75.97	349.93	0.01	12,900.49	158.04

Notes :

(a) Buildings include ₹ 313.42 Lakhs (Previous Year ₹ 313.42 Lakhs) 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.

(b) Buildings include ₹ 4.50 Lakhs (Previous Year ₹ 4.50 Lakhs) 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.

(c) Addition for the year inculdes ₹ 48.25 Lakhs (previous year Nil) of interest and ₹ 18.86 Lakhs (previous year Nil) of pre-operative expenses capitalised.

Details relating to assets given on Operating Lease (₹ In Lakhs)

Particulars	AS at 31.03.2018	AS at 31.03.2017	AS at 01.04.2016
Gas Engine as a part of Plant & Machinery :			
Gross Block	-	-	310.32
Accumulated Depreciation	-	-	247.37
Net Block	-	-	62.95
Depreciation for the year on such assets	-	-	83.29
It may be noted that the said operating lease agreement with N. B. Commercial Enterprise Limited (Enterprise under common control) got expired in October 2015.			

IND AS transition

Ind AS 101, Appendix, D provides exemption which are at the option of the group, whether to avail that option or not. By availing that option group need not have to follow that particular Ind AS retrospectively. One of such exemption are also available with respect to Property, Plant and Equipment.

Group can choose the option of previous GAAP carrying amount as deemed cost or Fair value of asset on the date of opening balance sheet date as deemed cost. If Group decides to not to take any of the option then in that case Ind AS - 16 needs to be applied retrospectively.

Group has not availed any of the exemptions given under Ind AS - 101 for Property, Plant and Equipment.

Notes Forming Part of the Consolidated Financial Statements

NOTE 7: INTANGIBLE ASSETS **(₹ In Lakhs)**

Particulars	Softwares
Gross carrying amount	
As at April 1, 2016	120.32
Additions	-
Deductions	-
As at March 31, 2017	120.32
As at April 01, 2017	120.32
Additions	4.97
Deductions	-
As at March 31, 2018	**125.29**
Accumulated amortisation	
As at April 1, 2016	11.02
Amortisation for the year	19.05
Deductions	-
As at March 31, 2017	30.07
As at April 01, 2017	30.07
Amortisation for the year	19.22
Deductions	-
As at March 31, 2018	**49.29**
Net carrying amount	
As at March 31, 2018	**76.00**
As at March 31, 2017	90.25
As at April 1, 2016	109.30

NOTE 8: NON CURRENT INVESTMENTS **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Non Current Investments			
(A) Investment at Cost			
(i) In equity instruments of Joint Venture Company (Unquoted)			
12,00,000 Equity Shares (12,00,000 Equity shares at 31.03.2017 and as at 01.04.2016) of Sayaji Sethness Limited of ₹ 10/- each			
Cost of Investment	**120.00**	120.00	120.00
Add : Share of Reserves	**715.28**	645.92	582.91
	835.28	765.92	702.91
(B) Investment at Fair value through profit and loss (FVTPL):			
(a) In equity instruments			
Quoted			
2,500 Equity Shares (2500 Equity shares at 31.03.2017 and as at 01.04.2016) of ₹ 10/- each of Rapicut Carbide Limited.	**1.61**	2.09	1.03
2360 Equity Shares (2360 Equity shares at			

Notes Forming Part of the Consolidated Financial Statements

NOTE 8: NON CURRENT INVESTMENTS (Contd..) **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
31.03.2017 and as at 01.04.2016) of Punjab National Bank of ₹ 2/- each.	**2.25**	3.49	1.99
Un quoted			
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 4500 equity shares as at 01.04.2016) of Cama Hotels Ltd. of ₹ 10/- each	**-**	-	0.58
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 2500 equity shares as at 01.04.2016) of Sterling (Guj) Hospitals Ltd. of ₹ 10/- each.	**-**	-	0.25
Nil Equity Shares (Nil Equity shares at 31.03.2017 and 2,51,100 equity shares as at 01.04.2016) of Ahmedabad Commodity Exchange of ₹ 10/- each	**-**	-	25.64
	3.86	5.58	29.49
(b) In Mutual Funds			
Quoted			
(i) 1,59,329 Units (1,59,329 Units at 31.03.2017 and as at 01.04.2016)of "Principal Assets Allocation Fund" of ₹.10/- each.	**19.56**	18.12	15.77
(C) Other Non Current Investments - National Saving Certificates	**-**	-	0.10
Total	**858.70**	789.62	748.27
Less: Provision for Diminution in value of Investments	**-**	-	26.22
Total	**858.70**	789.62	722.05
Aggregate value of quoted investments and market value thereof.	**23.42**	23.70	18.79
Aggregate value of unquoted investments and market value thereof.	**835.28**	765.92	729.48
Aggregate of amount of impairement in the value of investments	**-**	-	26.22

Notes Forming Part of the Consolidated Financial Statements

NOTE 9: TRADE RECEIVABLES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(Unsecured)			
(a) Considered Good	**3,815.75**	3,687.90	3,430.47
(b) Considered Doubtful	**100.16**	140.03	63.51
(c) Less : Allowance for doubtful trade receivables	**(100.16)**	(140.03)	(63.51)
Total	**3,815.75**	3,687.90	3,430.47

Trade Receivable includes debts due from :

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Company in which any director is a director/partner			
N.B.Commercial Enterprises Ltd	**-**	0.19	0.34
Sayaji Ingritech LLP	**-**	0.45	-

Summary of movement in allowance for doubtful trade receivables

Particulars	As at 31.03.2018	As at 31.03.2017
Balance at the beginning of the year	**140.03**	63.51
Movement during the year	**21.58**	76.52
Less:Write off of bad debts	**(61.45)**	-
Balance at the end of the year	**100.16**	140.03

NOTE 10: CASH AND BANK BALANCES

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Cash on Hand	**7.01**	21.53	18.97
(b) Balances with Banks			
In Current Accounts	**82.24**	96.12	49.72
Total Cash and Cash Equivalents	**89.25**	117.65	68.69
Other Bank Balances			
(a) Bank Deposits having maturity beyond 3 months	**192.33**	158.96	130.84
(b) Balances held as Margin Money or Security against Borrowings, Guarantees and Other Commitments.	**-**	19.60	20.37
(c) Earmaked Balances with Bank			
In unpaid Dividend Accounts	**32.12**	27.63	24.10
	224.45	206.19	175.31
Total	**313.70**	323.84	244.00

Notes Forming Part of the Consolidated Financial Statements

NOTE 11: OTHER FINANCIAL ASSETS NON CURRENT / CURRENT (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
[Unsecured and considered good, unless otherwise stated]			
Non Current			
(a) Security Deposits	**40.28**	8.56	8.35
	40.28	8.56	8.35
Current			
(a) Advances to Related Parties	**1.12**	2.53	0.08
(b) Financial Derivative Asset	**17.88**	154.57	88.47
(c) Export Incentive Receivable	**108.48**	51.91	43.35
(d) Interest Receivable	**1.91**	5.93	18.45
	129.39	214.94	150.35
Total	**169.67**	223.50	158.70

NOTE 12: OTHER ASSETS NON CURRENT / CURRENT (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
[Unsecured and considered good, unless otherwise stated]			
Non Current			
(a) Capital Advances	**195.28**	33.51	92.37
	195.28	33.51	92.37
Current			
(a) Prepaid Expenses	**98.62**	87.97	58.86
(b) Advances to Employees	**0.22**	0.12	2.02
(c) Balances with Government Authorities			
(i) CENVAT Credit	**5.90**	193.19	193.87
(ii) PLA Balance	**2.06**	1.25	4.01
(iii) Others	**78.54**	14.31	13.31
	86.50	208.75	211.19
(d) Advance to Suppliers			
Considered Good	**320.25**	524.48	1,077.35
Considered Doubtful	**1,063.00**	1,063.00	1,063.00
Less: Provisions	**(1,063.00)**	(1,063.00)	(1,063.00)
	320.25	524.48	1,077.35
(e) Others	**57.14**	94.91	81.14
	562.73	916.23	1,430.56
Total	**758.01**	949.74	1,522.93

Note: The long term contract entered into by the group with Yashwant Sahakari Glucose Karkhana Limited (YSGK) for purchase of certain products manufactured by YSGK at mutually agreed price was terminated on 11/5/2017 due to dispute and differences between the parties. Out of advances paid by the group which remained unadjusted, as per the terms of the termination agreement YSGK agreed to pay a sum of ₹.250.00 Lakhs in full and final settlement. The group has received ₹.100.00 Lakhs from YSGK till 31st March, 2018 out of the said amount. For the balance outstanding amount of ₹.150.00 Lakhs (included in advances to suppliers), YSGK has issued post dated cheques to the group. The management of the group is confident of realisation of the amount of ₹.150.00 Lakhs and the said amount is therefore considered as good.

Notes Forming Part of the Consolidated Financial Statements

NOTE 13: INVENTORIES **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Raw Materials	**1,852.71**	1,739.47	2,474.85
(b) Work-In-Progress	**592.52**	488.37	441.72
(c) Finished Goods	**932.37**	1,078.21	865.02
(d) Stock In Transit - Finished Goods	**61.20**	233.54	-
(e) By Products (At Net Realisable Value)	**518.91**	279.26	416.81
(f) Stores, Spares Chemicals, Packing Material and Fuel	**456.80**	334.49	354.43
Total	**4,414.51**	4,213.34	4,552.83

Note 14: SHARE CAPITAL

Particulars	**As at 31.03.2018**		As at 31.03.2017		As at 01.04.2016	
	Number of Shares	**(₹ In Lakhs)**	Number of Shares	(₹ In Lakhs)	Number of Shares	(₹ In Lakhs)
(a) Authorised						
Equity Shares of ₹ 100/- each with voting rights	-	-	2,00,000	200.00	2,00,000	200.00
Equity Shares of ₹ 10/- each with voting rights	**40,00,000**	**400.00**	-	-	-	-
(b) Issued, Subscribed and fully paid up						
Equity Shares of ₹ 100/- each with voting rights	-	-	79,000	79.00	79,000	79.00
Equity Shares of ₹ 10/- each with voting rights	**31,60,000**	**316.00**	-	-	-	-
Total		**316.00**		79.00		79.00

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

Particulars	**Opening Balance**	**Changes if any during the year in the Share Capital**	**Closing Balance**
Equity Shares with voting rights			
Year ended 31st March, 2018			
- **Number of Shares**	**79,000**	30,81,000	31,60,000
- **Amount (₹ in Lakhs)**	**79.00**	237.00	316.00
Year ended 31st March, 2017			
- **Number of Shares**	**79,000**	-	79,000
- Amount (₹ in Lakhs)	**79.00**	-	79.00
As At 1st April, 2016			
- Number of Shares	79,000	-	79,000
- Amount (₹ in Lakhs)	79.00	-	79.00

Note : Changes in the Share Capital during the year ended 31.03.2018 in case of number of shares of 30,81,000, comprise of 23,70,000 Bonus Shares and 7,11,000 number of shares on account of Share Split from a Face Value of ₹ 100 to Face Value of ₹ 10 as mentioned below.

Notes Forming Part of the Consolidated Financial Statements

(ii) Details of Shareholders holding more than 5% shares:

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
Class of Shares/ Name of Shareholder	Number of Shares held	% holding in that class of Shares	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	**5,68,840**	**18.00**	14,221	18.00	14,221	18.00
C.V. Mehta Private Limited	**4,79,760**	**15.18**	11,994	15.18	11994	15.18
Priyam Commercial Enterprises Pvt. Ltd.	**4,28,200**	**13.55**	10,705	13.55	10,705	13.55
Priyam B. Mehta	**3,64,600**	**11.54**	9,115	11.54	9,115	11.54
Bini Commercial Enterprises Pvt. Ltd.	**2,29,600**	**7.27**	5,740	7.27	5,740	7.27

The group pursuant to the approval of the members accorded on May 27,2017, by way of a postal ballot, 1(one) equity share having face value of ₹ 100 each were sub-divided into 10 (Ten) equity shares having face value of ₹ 10/- each.

During the year, the group has issued 23,70,000 bonus shares in the proportion of 3 (Three) new equity shares of ₹ 10/- each for every 1 (one) existing fully paid up equity share capital of ₹ 10/- each by capitalization of a sum of ₹ 237.00 Lakhs from the reserves of the group.

The group has issued only one class of shares referred to as Equity Shares having a par value of ₹ 10/-. 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 regards to the group's residual assets.

Note 15 : OTHER EQUITY

Refer to the statement of changes in equity for movement in Other equity.

Nature and purpose of reserves

Capital Redemption Reserve

The Group has recognised Capital Redemption Reserve, on buyback or redemption of its own equity/preference shares, from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the shares bought back.

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Security premium

The amount received in excess of face value of the equity shares, in relation to issuance of equity, is recognised in Securities Premium Reserve.

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

Notes Forming Part of the Consolidated Financial Statements

NOTE 16: BORROWINGS **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current			
Secured			
((a) Term Loans From Banks	**1,056.22**	1,180.99	1,726.05
(b) Vehicle Loan from Banks	**241.57**	-	23.49
Unsecured			
(a) Public Deposits *	**1,431.78**	1,258.85	1,367.84
(b) Inter Corporate Deposits from Related Parties	**738.50**	738.50	738.50
	3,468.07	3,178.34	3,855.88
Current			
Secured			
(a) Purchase Bill Discounting with Bank	**3,860.16**	2,987.34	1,971.53
(b) Working Capital Loan from Banks	**3,520.90**	3,137.79	3,224.83
Unsecured			
(a) Public Deposits	**21.40**	15.13	22.70
(b) Loans from Related Parties - Repayable on demand	**116.16**	24.62	-
	7,518.62	6,164.88	5,219.06
Total	**10,986.69**	9,343.22	9,074.94

* Public Deposits includes deposits accepted from Directors amounting to ₹ 513.50 Lakhs (As at 31.03.2017 ₹ 322.50 Lakhs and As at 01.04.2016 ₹ 229.00 Lakhs)

(i) Term Loan by way of Overdraft from Punjab National Bank of ₹ 389.71 Lakhs (As at 31.03.2017 ₹ 437.50 Lakhs and As at 01.04.2016 ₹ 487.50 Lakhs) is secured by mortgage of property situated at Kathwada Unit. This loan is repayable in 120 equal monthly instalments starting from 01.02.2016.

(ii) Term Loan - 1 from Kotak Mahindra Bank of ₹ Nil (As at 31.03.2017 ₹ 100.00 Lakhs and As at 01.04.2016 ₹ 300.00 Lakhs) is secured by way of Equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments starting from 10.12.2012.

(iii) Term Loan - 2 from Kotak Mahindra Bank of ₹ 800 Lakhs (As at 31.03.2017 ₹ 1200.00 Lakhs and As at 31.03.2016 ₹.1600 Lakhs) is secured by way of Equitable mortgage of building in Mumbai. The said loan is repayable in 20 equal quarterly instalments starting from 27.05.2015.

(iv) Term Loan from Kotak Mahindra Bank of ₹ 426.05 Lakhs and working capital of ₹ 178.50 Lakhs is secured by first and exlusive hypothecation charge on all existing and future current assets and all existing and future movable fixed assets of the LLP and Corporate Guarantee of Sayaji Industries Limited.

(v) Vehicle loan from Banks & Financial Institution amounting to ₹ 391.35 Lakhs (As at 31.03.2017 ₹ 25.22 Lakhs and As at 01.04.2016 ₹ 52.33 Lakhs) are secured by way of hypothecation of respective motor vehicles purchased. The said loans are repayable in 36 equal monthly instalments.

(vi) Working Capital loans from Punjan National Bank are secured by hypothecation of present and future 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 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.

(vii) Working capital loan from Kotak Mahindra Bank of ₹ 373.15 Lakhs (Previous year Nil) is secured by First and exclusive hypothecation charge on all existing and future current assets, first and exclusive mortgage charge on immoveable property being commercial property admeasuring 4870 sq.ft. situated at Ten 11, Near C.G.Road, Swastik Society, Navrangpura, Ahmedabad belonging to Sayaji Properties LLP and Corporate Guarantee of Sayaji Industries Limited and Sayaji Properties LLP

(viii) Purchase bill discounting is secured by way of equitable mortgage of building in Mumbai.

(ix) Rate of Interest on the above loans ranges between 9.50% to 12.60% p.a.

Notes Forming Part of the Consolidated Financial Statements

NOTE 17: TRADE PAYABLES (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Trade Payables			
For Supply of Goods			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-	-
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**2,717.19**	3,472.14	4,341.65
For Others			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-	-
- Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	**921.22**	938.90	735.98
Total	**3,638.41**	4,411.04	5,077.63

NOTE 18: OTHER FINANCIAL LIABILITIES - NON CURRENT/CURRENT (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current			
(i) Trade/Security Deposit Received	**30.95**	16.06	19.76
	30.95	16.06	19.76
Current			
(a) Current Maturities of Long Term Debt (Refer Note below)	**1,427.03**	1,250.73	1,103.03
(b) Unpaid Dividend	**32.12**	27.63	24.10
(c) Unclaimed Matured Public Deposits	**91.17**	23.36	15.29
(d) Payable on Purchase of Fixed Assets	**171.19**	169.56	191.92
(e) Interest accrued but not due	**8.95**	17.31	19.90
(f) Other current financial liabilities	**648.93**	526.50	657.92
	2,379.39	2,015.09	2,012.16
Total	**2,410.34**	2,031.15	2,031.92

(i) Current Maturities of Long Term Debt - Refer Note (i) to (v) in Note 16 - Borrowings for details of Security.

NOTE 19: OTHER CURRENT LIABILITIES (₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Other payables			
(i) Statutory Liabilities	**422.59**	306.89	289.69
(ii) Advance from Customers	**791.69**	474.02	430.53
(iil) Others	**14.79**	2.04	2.04
Total	**1,229.07**	782.95	722.26

Notes Forming Part of the Consolidated Financial Statements

NOTE 20: PROVISIONS **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Employee Benefits			
Non Current			
Provision for Gratuity	**130.34**	47.56	159.75
Provision for Compensated Absences	**199.67**	182.83	166.79
	330.01	230.39	326.54
Current			
Provision for Gratuity	**210.66**	153.09	155.06
Provision for Compensated Absences	**111.38**	81.30	88.21
	322.04	234.39	243.27
Total	**652.05**	464.78	569.81

NOTE 21: INCOME TAXES

1. **Components of Income tax expenses**

The major component of Income tax expenses for the year ended on March 31, 2018 and March 31,2017 are as follows

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Statement of Profit & Loss		
Current Tax		
(i) Current Income Tax	**173.00**	138.25
(ii) Adjustment of Tax relating to earlier periods	**0.16**	5.95
	173.16	144.20
Deferred Tax		
(i) Deferred Tax Expenses	**250.84**	143.84
(ii) MAT Credit Entitlement	**(87.57)**	(132.33)
	163.27	11.51
Income Tax Expenses as per statement of Profit & Loss	**336.43**	155.71

2. **Reconciliation of effective tax** **(₹ In Lakhs)**

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Profit Before Tax	**871.14**	549.76
Tax @ 33.063%	**288.03**	181.77
Adjustment for :		
Expenses not allowed as deduction	**7.05**	7.52
MAT credit not recognised	**80.16**	-
Excess provision created during current periods	**(4.14)**	(5.92)
Income on which tax not required to be paid	**(19.85)**	(19.85)
Impact of current tax of earlier years	**0.16**	5.95
Deferred Tax created on different rate	**(2.89)**	-
Others	**(12.09)**	(13.76)
Tax Expenses/(Benefit)	**336.43**	155.71

Notes Forming Part of the Consolidated Financial Statements

3. Movement in deferred tax assets and liabilities For the year ended on March 31,2017 (₹ In Lakhs)

Particulars	As at April 1, 2016	Credit/(Charge) in the Statement of Profit & Loss	Credit/(Charge) in the Other Comprehensive Income	**As at March 31, 2017**
Deferred Tax Assets/(Liabilities)				
Accelerated Depreciation for Tax Purpose	(1,713.32)	(233.76)	-	**(1,947.08)**
Deferred Tax Imposed on Employee Benefits	188.40	(34.73)	-	**153.67**
Provision for doubtful debt/Advances	353.68	44.09	-	**397.77**
Unabsorbed depreciation	51.07	52.15	-	**103.22**
Deferred tax on MTM of forward contract	(27.34)	27.34	-	**-**
Deferred tax on Amortisation of Loan Processing fees	(3.54)	1.53	-	**(2.01)**
Total	(1,151.04)	(143.39)	-	**(1,294.43)**

4. Movement in deferred tax assets and liabilities For the year ended on March 31,2018

(₹ In Lakhs)

Particulars	As at April 1, 2017	Credit/(Charge) in the Statement of Profit & Loss	Credit/(Charge) in the Other Comprehensive Income	**As at March 31, 2018**
Deferred Tax Assets/(Liabilities)				
Accelerated Depreciation for Tax Purpose	(1,947.08)	(238.61)	-	**(2,185.69)**
Deferred Tax Imposed on Employee Benefits	153.67	61.92	-	**215.59**
Provision for doubtful debt/Advances	397.77	(13.20)	-	**384.57**
Unabsorbed depreciation	103.22	(61.74)	-	**41.48**
Deferred tax on MTM of forward contract	-	-	-	**-**
Deferred tax on Amortisation of Loan Processing fees	(2.01)	0.91	-	**(1.10)**
Total	(1,294.43)	(250.72)	-	**(1,545.15)**

5. Deferred Tax Liabilities (₹ In Lakhs)

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Deferred Tax Liability	**1,545.15**	1,294.43	1,151.04
MAT Credit Entitlement	**(538.60)**	(458.10)	(325.78)
Total	**1,006.55**	836.33	825.26

6. Current /Non-Current tax assets and liabilities (₹ In Lakhs)

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Non-Current			
Non-Current Tax Assets	**108.78**	103.50	111.67
Current			
Current Tax Liabilities	**24.86**	39.73	15.42

Notes Forming Part of the Consolidated Financial Statements

NOTE 22: EMPLOYEE BENEFITS

A. Defined contribution plans:

The Group deposits amount of contribution to government under Provident Fund and other schemes operated by government.

Amount of ₹ 349.28 Lakhs (P.Y. : ₹ 329.47 Lakhs) is recognised as expenses and included in Note 26 "Employee benefit expense"

(₹ in Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Provident and other funds	**349.28**	329.47
	349.28	329.47

B. Defined benefit plans:

The Group has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Group operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Group, for each completed year of service. The benefit vests only after five years of continuous service, except in case of death/disability of employee during service. The vested benefit is payable on separation from the Group, on retirement, death or termination.

(₹ in Lakhs)

Prticulars	As at March 31,2018	As at March 31,2017
i. Expenses recognized in Profit & Loss Account		
Current Service cost	**53.00**	48.93
Interest Cost (Net)	**14.57**	25.44
Past Service cost	**166.84**	-
Expected return on plan assets	**(1.83)**	3.68
Net actuarial losses (gains)	**106.08**	(32.65)
Total Expenses	**338.66**	45.40
ii. Reconciliation of Opening and Closing balances of changes in present value of the Defined Benefit Obligation		
Opening defined benefit obligation as on April 1, 2017	**1,237.60**	1,262.01
Service cost	**53.00**	48.93
Interest cost	**89.85**	101.97
Past Service cost	**166.84**	-
Actuarial losses (gains)- Due to change in Financial Assumptions	**(50.87)**	48.72
Actuarial losses (gains)- Due to Experience	**156.95**	(81.37)
Benefits paid	**(92.07)**	(142.66)
Closing defined benefit obligation as at March 31, 2018	**1,561.30**	1,237.60
iii. Reconciliation of Opening and Closing balances of changes in fair value of the assets		
Opening fair value of plan assets as at April 1, 2017	**1,036.95**	947.20
Interest Income	**75.28**	76.53
Expected return on plan assets	1.83	(3.68)
Contributions by employer	**198.31**	159.56
Benefits paid	**(92.07)**	(142.66)
Closing balance of fair value of plan assets as at 31.03.2018	**1,220.30**	1,036.95

Notes Forming Part of the Consolidated Financial Statements

Particulars	As at March 31,2018	As at March 31,2017
iv. Net Liability recognized in the Balance Sheet as at March 31, 2018		
Defined Benefit Obligation as at March 31, 2018	**1,561.30**	1,237.60
Fair Value of plan assets as at March 31, 2018	**1,220.30**	1,036.95
Present Value of unfunded obligation recognized as liability as at March 31, 2018	**341.00**	200.65
v. Actuarial Assumptions		
Particulars	**For the year Ended March 31,2018**	For the year Ended March 31,2017
Discount rate	**7.88%**	7.26%
Expected Return on Plan Assets	**7.88%**	7.26%
Future salary increase	**4.00%**	4.00%
Attrition rate	**2.00%**	2.00%
Mortality rate during employment	**Indian assured lives Mortality (2006-08)**	Indian assured lives Mortality (2006-08)

vi. A quantitative sensitivity analysis for significant assumption is as shown below:

Gratuity **(₹ in Lakhs)**

Particulars	Sensitivity level	For the year Ended March 31,2018	For the year Ended March 31,2017
Gratuity			
Discount rate	1% increase	**(74.14)**	(58.77)
	1% decrease	**84.14**	66.68
Salary increase	1% increase	**86.60**	68.21
	1% decrease	**(77.74)**	(61.05)
Withdrawal Rates	1% increase	**25.26**	15.71
	1% decrease	**(28.28)**	(17.51)

vii. The followings are the expected future benefit payments for the defined benefit plan :

(₹ in Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Gratuity		
1st Following year	**431.99**	350.46
2nd Following year	**95.28**	102.00
3rd Following year	**97.17**	96.04
4th Following year	**201.74**	77.10
5th Following year	**114.41**	157.43
Sum of years 6 to 10	**709.95**	452.19
Sum of years 11 and above	**1,092.23**	802.85

viii. Weighted average duration (years) of defined plan obligation (based on discounted cash flows)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Gratuity	**6**	6

Notes Forming Part of the Consolidated Financial Statements

C. Other Long term employee benefit plans

Leave encashment

Salaries, Wages and Bonus include ₹ 127.55 Lakhs (P.Y.: ₹ 95.51 Laakhs) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

NOTE 23: REVENUE FROM OPERATIONS **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
(a) Sale of Products	59,092.16	56,065.12
(b) Other Operating Revenues		
Export Incentives	267.48	240.11
VAT / Excise Refund	0.34	0.35
	267.82	240.46
Total	59,359.98	56,305.58

Note : Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in the GST. Revenue from the operations for the year ended March 31, 2018 includes excise duty till June 30, 2017 only. Accordingly, revenue from operations for the year ended March 31, 2017 and year ended March 31, 2018 are not comparable with those of previous periods presented.

NOTE 24: OTHER INCOME **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
(a) Dividend Income:		
From Long Term Investments		
Joint Venture Company	60.00	60.00
Others	0.04	0.03
(b) Net Gain on Foreign Currency Transactions and Translation	230.41	343.40
(c) MTM Gain/(Loss) on Long Term Investment	(0.29)	4.91
(d) Insurance Claim received	-	106.91
(e) Interest Income	1.67	-
(f) Rental Income from Operating Leases	5.30	5.35
(g) Sundry Balances written off	36.98	-
(h) Miscellaneous Income	0.03	1.33
Total	334.14	521.93

NOTE 25.a: COST OF MATERIALS CONSUMED **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
Opening Stock	1,741.18	2,474.85
Add: Purchases	35,693.98	33,056.21
Less: Closing Stock	(1,874.84)	(1,741.18)
Total	35,560.32	33,789.88

Note : Purchases for the year 2017-18 includes ₹ 66.75 Lakhs being the amount of stocks of a LLP which is included in the group with effect from 1st April,2017.

Notes Forming Part of the Consolidated Financial Statements

NOTE 25.b: PURCHASE OF STOCK IN TRADE **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
Starches & Others	**3.08**	1.45
Total	**3.08**	1.45

NOTE 25.c: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ In Lakhs)

Particulars	For the year 2017-18	For the year 2016-17
Inventories at the End of the Year		
Finished Goods & By-Products	**1,451.28**	1,357.47
Stock in Transit - Finished Goods	**61.20**	233.54
Work-In-Progress	**592.52**	488.37
	2,105.00	2,079.38
Inventories at the beginning of the Year		
Finished Goods & By-Products	**1,357.47**	1,281.83
Stock in Transit - Finished Goods	**233.54**	0.00
Work-In-Progress	**488.37**	441.72
	2,079.38	1,723.55
Total	**(25.62)**	(355.83)

NOTE 26: EMPLOYEE BENEFITS EXPENSE **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
Salaries and Wages	**4,632.66**	3,764.80
Contribution to Provident and other Funds	**679.13**	368.30
Staff Welfare Expenses	**297.48**	213.25
Total	**5,609.27**	4,346.35

NOTE 27: FINANCE COST **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
Interest on Borrowings	**1,231.00**	1,129.76
Loan Scrutiny & Processing Fees	**15.54**	11.56
Total	**1,246.54**	1,141.32

NOTE 28: OTHER EXPENSES **(₹ In Lakhs)**

Particulars	For the year 2017-18	For the year 2016-17
Consumption of Packing Materials	**2,046.34**	1,821.71
Consumption of Stores, Spare Parts and Chemicals	**2,045.34**	1,951.79
Power and Fuel	**4,070.53**	3,755.03
Rent including Lease Rentals (Refer Note 37)	**133.13**	141.09
Repairs and Maintenance - Buildings	**66.16**	61.32
Repairs and Maintenance - Machinery	**985.20**	816.27
Repairs and Maintenance - Others	**234.28**	178.53
Insurance	**45.88**	43.63

Notes Forming Part of the Consolidated Financial Statements

Particulars		For the year 2017-18	For the year 2016-17
Rates and Taxes		**163.00**	207.66
Commission and Brokerage		**578.36**	545.84
Freight Outward and Clearing Charges		**2,278.53**	1,935.96
Selling and Distribution Expenses		**275.36**	192.39
Donations and Contributions		**3.85**	2.62
Corporate Social Responsibilities Expenses		**15.48**	19.13
Loss on Sale of Fixed Assets (Net)		**9.59**	11.29
Payment to Auditors		**11.04**	36.22
Provision for Doubtful Advances		**-**	83.00
Bad Debts Written off	61.45	**-**	-
Less : Provision for Doubtful Trade Receivables written back	(61.45)	**-**	-
Provision for Doubtful Trade Receivables		**21.58**	76.52
Investment Written Off		**-**	0.35
Directors Sitting Fees		**13.59**	9.78
Managerial Remuneration		**401.68**	326.68
General Charges		**1,447.34**	1,114.86
	Total	**14,846.26**	13,331.67

NOTE 29: RELATED PARTY TRANSACTIONS

Related party disclosures, as required by Ind AS 24, " Related Party Disclosures", are given below.

(A) List of Related Parties and Relationships:

Joint Venture Company: Sayaji Sethness Limited

Entities under Common Control:

C. V. Mehta (Pvt.) Ltd.
Bini Commercial Enterprises (Pvt.) Ltd.
N.B. Commercial Enterprises Ltd.
Varun Travels (Pvt.) Ltd.
Priyam Commercial Enterprises (Pvt) Ltd.
Viva Tex Chem (Pvt) Ltd.
Viva Public Charitable Trust
Sayaji Properties LLP
Sayaji Agrosciences LLP
Sayaji Samruddhi LLP
Sayaji Ingritech LLP
(upto 31.03.2017, Now part of the Group)

Key Managerial Personnel:

Shri Priyam B. Mehta
Shri Varun P. Mehta
Shri Vishal P. Mehta
Shri Rajesh H Shah
Shri Narayansingh J. Deora

Relatives of Key Managerial Personnel:

Smt.Niramayi B. Mehta
Smt. Sujata P. Mehta
Smt. Kavisha V. Mehta
Smt. Priyanka V. Mehta
Late. Smt. Bhoomi V. Mehta (till 02.09.2016)
Priyam B Mehta - HUF

Notes Forming Part of the Consolidated Financial Statements

(B) Related party transaction and balances :

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in an arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash except in case of advances. Outstanding advances are either settled through supply of goods or services.

The details of material transactions and balances with related parties are given below:

(₹ In Lakhs)

a)	**Transactions during the year**	**For the year Ended March 31,2018**	For the year Ended March 31,2017
i)	**Sales**		
	To joint Venture Company		
	Sayaji Sethness Ltd	**3.76**	2.50
	To Entities under common Control		
	N.B. Commercial Enterprises Ltd.	**41.78**	37.28
	Sayaji Ingritech LLP	**-**	0.37
ii)	**Interest Paid :**		
	To joint Venture Company		
	Sayaji Sethness Ltd	**56.00**	63.00
	To Entities under common Control		
	C. V. Mehta (Pvt.) Ltd.	**2.60**	2.92
	Bini Commercial Enterprises (Pvt.) Ltd.	**0.48**	0.54
	To Key Managerial Personnel		
	Shri Priyam B. Mehta	**14.96**	12.99
	Shri Varun P. Mehta	**7.00**	0.58
	Shri Vishal P. Mehta	**5.97**	2.76
	To Relatives of Key Managerial Personnel		
	Smt.Niramayi B. Mehta	**5.43**	5.52
	Smt. Sujata P. Mehta	**18.06**	13.80
	Smt. Kavisha V. Mehta	**2.12**	2.18
	Priyam B Mehta - HUF	**0.69**	1.61
	Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	**-**	2.18
iii)	**Expenses Recovered on Reimbursement Basis/Service rendered**		
	To a joint Venture Company		
	Sayaji Sethness Ltd	**70.94**	52.97
	To Entities under common Control		
	N.B. Commercial Enterprises Ltd.	**7.00**	-
iv)	**Services Purchased :**		
	From Entities under common Control		
	Varun Travels (Pvt.) Ltd.	**142.10**	89.34
v)	**Rent Received**		
	To a Entities under common Control		
	Bini Commercial Enterprises (Pvt.) Ltd.	**0.63**	2.53
vi)	**Rent Paid**		
	To a Entities under common Control		
	N.B. Commercial Enterprises Ltd.	**0.96**	-
	Priyam Commercial Enterprises (Pvt) Ltd.	**0.36**	-

Notes Forming Part of the Consolidated Financial Statements

a) Transactions during the year	For the year Ended March 31,2018	For the year Ended March 31,2017
vii) Corporate Social Responsibility Expenses		
From Entities under common Control		
Viva Public Charitable Trust	**5.00**	10.10
viii) Remuneration		
To Key Managerial Personnel		
Shri Priyam B. Mehta	**134.70**	114.79
Shri Varun P. Mehta	**134.94**	106.05
Shri Vishal P. Mehta	**132.04**	105.84
Shri Rajesh H Shah	**35.22**	25.26
Shri Narayansingh J. Deora	**36.15**	26.06
To Relatives of Key Managerial Personnel		
Smt. Kavisha V. Mehta	**28.63**	18.42
Smt. Priyanka V. Mehta	**24.06**	-
Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	-	6.30
ix) Loan Taken during the year		
From Relatives of Key Managerial Personnel		
Smt.Niramayi B. Mehta	**41.00**	-
Smt. Sujata P. Mehta	**17.00**	-
From Key Managerial Personnel		
Shri Varun P. Mehta	**9.00**	20.00
Shri Vishal P. Mehta	**-**	13.00
x) Directors Sitting Fees		
To Relatives of Key Managerial Personnel		
Smt. Sujata P. Mehta	**2.07**	1.53
xi) Deposits Received		
To Key Managerial Personnel		
Shri Priyam B. Mehta	**42.00**	-
Shri Varun P. Mehta	**66.00**	-
Shri Vishal P. Mehta	**53.00**	-
To Relatives of Key Managerial Personnel		
Smt. Sujata P. Mehta	**64.00**	11.00
xii) Deposits Paid		
To Key Managerial Personnel		
Shri Priyam B. Mehta	**9.00**	-
Shri Varun P. Mehta	**9.00**	-
Shri Vishal P. Mehta	**9.00**	-
b) Balances at the end of the year	**As at 31-03-2018**	**As at 31-03-2017**
i) Outstanding Receivables		
From joint Venture Company		
Sayaji Sethness Ltd	**0.01**	0.04
From Entities under common Control		
N.B. Commercial Enterprises Ltd.	**1.29**	0.52
Varun Travels (Pvt.) Ltd.	-	1.31
Sayaji Ingritech LLP	-	1.30
Sayaji Samruddhi LLP	-	1.32
ii) Outstanding Receivables		
From Entities under common Control		
Varun Travels (Pvt.) Ltd.	**1.86**	-

Notes Forming Part of the Consolidated Financial Statements

b) Balances at the end of the year	As at 31-03-2018	As at 31-03-2017
iii) Loans payable		
To Joint Venture Company		
Sayaji Sethness Ltd	**700.17**	700.00
To Entities under common Control		
C. V. Mehta (Pvt.) Ltd.	**32.50**	32.50
Bini Commercial Enterprises (Pvt.) Ltd.	**6.00**	6.09
Viva Public Charitable Trust	**-**	0.02
To Key Managerial Personnel		
Smt. Sujata P Mehta	**17.00**	-
Shri Varun P. Mehta	**20.08**	-
Shri Vishal P. Mehta	**4.08**	-
To Relatives of Key Managerial Personnel		
Smt.Niramayi B. Mehta	**55.50**	-
Smt. Kavisha V. Mehta	**19.50**	-
iv) Deposits payable		
To Key Managerial Personnel		
Shri Priyam B. Mehta	**146.00**	113.00
Shri Varun P. Mehta	**62.00**	5.00
Shri Vishal P. Mehta	**68.00**	24.00
To Relatives of Key Managerial Personnel		
Smt.Niramayi B. Mehta	**48.00**	48.00
Smt. Sujata P. Mehta	**187.50**	123.50
Smt. Kavisha V. Mehta	**19.00**	19.00
Priyam B Mehta - HUF	**14.00**	14.00
Late. Smt. Bhoomi V. Mehta (till 02.09.2016)	**-**	19.00
vii) Remuneration payable		
To Key Managerial Personnel		
Shri Rajesh H Shah	**-**	2.17
Shri Narayansingh J. Deora	**-**	2.11

Note 30 : Financial assets and liabilities

Financial assets by category

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost
Investments in												
- Joint Venture	835.28	-	-	-	765.92	-	-	-	702.91	-	-	-
- Equity Shares- Quoted	-	3.86	-	-	-	5.58	-	-	-	3.02	-	-
- Equity Shares - UnQuoted	-	-	-	-	-	-	-	-	-	0.35	-	-
- Mutual fund - Quoted	-	19.56	-	-	-	18.12	-	-	-	15.77	-	-
Trade receivables	-	-	-	3,815.75	-	-	-	3,687.90	-	-	-	3,430.47
Cash & cash equivalents (including other bank balances)	-	-	-	313.70	-	-	-	323.84	-	-	-	244.00
Other financial assets												
- Security deposits	-	-	-	40.28	-	-	-	8.56	-	-	-	8.35
- Advance to related parties	-	-	-	1.12	-	-	-	2.53	-	-	-	0.08
- Financial Derviative Asset	-	17.88	-	-	-	154.57	-	-	-	88.47	-	-
- Export Incentive Receivable	-	-	-	108.48	-	-	-	51.91	-	-	-	43.35
- Interest Receivable	-	-	-	1.91	-	-	-	5.93	-	-	-	18.45
Total Financial assets	**835.28**	**41.30**	**-**	**4,281.24**	**765.92**	**178.27**	**-**	**4,080.67**	**702.91**	**107.61**	**-**	**3,744.70**

Notes Forming Part of the Consolidated Financial Statements

Financial liabilities by category (₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost	Cost	FVTPL	FVTOCI	Amortised cost
Borrowings	-	-	-	10,986.69	-	-	-	9,343.22	-	-	-	9,074.94
Trade payables	-	-	-	3,638.41	-	-	-	4,411.04	-	-	-	5,077.63
Other financial liabilities												
- Security Deposits	-	-	-	30.95	-	-	-	16.06	-	-	-	19.76
- Current maturities of long-term borrowings	-	-	-	1,427.03	-	-	-	1,250.73	-	-	-	1,103.03
- Unpaid Dividend	-	-	-	32.12	-	-	-	27.63	-	-	-	24.10
- Unclaimed Matured Public Deposit	-	-	-	91.17	-	-	-	23.36	-	-	-	15.29
- Payables on purchase of fixed assets	-	-	-	171.19	-	-	-	169.56	-	-	-	191.92
- Interest Payable	-	-	-	8.95	-	-	-	17.31	-	-	-	19.90
- Other current financial liabilities	-	-	-	648.93	-	-	-	526.50	-	-	-	657.92
Total Financial liabilities	-	-	-	**17,035.44**	-	-	-	**15,785.41**	-	-	-	**16,184.49**

Note 31 : Fair values

1 Quantitative disclosures fair value measurement hierarchy for assets

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 (Valuation date - March 31, 2018)

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	31 March 2018	19.56	-	-	19.56
Equity shares-quoted	31 March 2018	3.86	-	-	3.86
Financial Derivative Asset	31 March 2018	-	17.88	-	17.88

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017 (Valuation date - March 31, 2017)

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	31 March 2017	18.12	-	-	18.12
Equity shares-quoted	31 March 2017	5.58	-	-	5.58
Financial Derivative Asset	31 March 2017	-	154.57	-	154.57

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016 (Valuation date - April 1, 2016)

Notes Forming Part of the Consolidated Financial Statements

(₹ in Lakhs)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets measured at fair value					
FVTPL investments					
Mutual fund-Quoted	1 April 2016	15.77	-	-	15.77
Equity shares-quoted	1 April 2016	3.02	-	-	3.02
Equity shares-Unquoted	1 April 2016	-	-	0.35	-
Financial Derivative Asset	1 April 2016	-	88.47	-	88.47

Note 32 : Financial risk management

The group's principal financial liabilities comprise of loans and borrowings, trade payables and other financial liabilities. The loans and borrowings are primarily taken to finance and support the group's operations. The group's principal financial assets include investments, loans, cash and cash equivalents, trade receivables and other financial assets.

The group is exposed to market risk, credit risk and liquidity risk. The group's senior management oversees the management of these risks. The group's senior management ensures that financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group's policies and risk objectives. It is the group's policy that no trading in fianancial instruments for speculative purposes may be undertaken.

1. *Market Risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk or Net assset value("NAV") risk in case of investment in mutual funds. Financial instruments affected by market risk include investments, trade receivables, trade payables, loans and borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

Interest rate risk

'Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Notes Forming Part of the Consolidated Financial Statements

(₹ In lakhs)

Particulars	Increase/(decrease) in basis points	Increase/(decrease) in profit before tax
March 31, 2018		
Rupee borrowings	+50	(44.97)
	-50	44.97
March 31, 2017		
Rupee borrowings	+50	(39.28)
	-50	39.28

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities, i.e. when revenue or expense is denominated in a foreign currency.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

All amounts in Lakhs

Particulars	Foreign Currency Amount			Reporting Currency Amount (Rupees)		
	As at			As at		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Accounts Receivable						
USD	**16.36**	14.09	16.50	**1,066.41**	921.15	1,094.40
AED	**2.59**	-	0.49	**45.96**	-	8.78
Accounts Payable						
EUR	**-**	-	0.48	**-**	-	0.36
Advance from Customers						
USD	1.29	-	-	84.25	-	-

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The impact on the group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

(₹ In lakhs)

Particulars	Change in rates	Effect on profit before tax
March 31, 2018	5% -5%	51.42 (51.42)
March 31, 2017	5% -5%	46.06 (46.06)

2 ***Credit Risk***

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and foreign exchange transactions.

Trade receivables

Notes Forming Part of the Consolidated Financial Statements

Customer credit risk is managed by the group's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an credit rating scorecard and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit.

The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Trade receivables are non-interest bearing and are generally on 0 days to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. The group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Cash deposits

Credit risk from balances with banks and financial institutions is managed by the group's treasury department in accordance with the group's policy. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements under the counterparty risk assessment process. The group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The group's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2018, March 31, 2017 & April 1, 2016 is the carrying amount as disclosed in Note 9 and 12 except for financial guarantees. The group's maximum exposure for financial guarantee is given in Note 34.

3 **Liquidity Risk**

The group monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The group's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the group's financial liabilities (including future interest payable) based on contractual undiscounted payments.

(₹ in Lakhs)

Particulars	Less than 1 year	1 to 5 years	> 5 years	Total
As at year ended				
March 31, 2018				
Borrowings (including current maturities of long-term borrowings)	8,829.49	3,468.07	-	12,297.56
Trade & other payables	3,638.41	-	-	3,638.41
Other financial liabilities	983.31	-	-	983.31
March 31, 2017				
Borrowings (including current maturities of long-term borrowings)	7,390.98	3,178.34	-	10,569.33
Trade & other payables	4,411.04	-	-	4,411.04
Other financial liabilities	780.42	-	-	780.42
April 1, 2016				
Borrowings (including current maturities of long-term borrowings)	6,322.09	3,855.88	-	10,177.97
Trade & other payables	5,077.63	-	-	5,077.63
Other financial liabilities	928.89	-	-	928.89

Notes Forming Part of the Consolidated Financial Statements

Note 33 : Capital Management

For the purpose of the group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the group. The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

(₹ in Lakhs)

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
Interest-bearing loans and borrowings (Note 16 & 18)	**12,504.89**	10,617.31	10,193.26
Less: cash and cash equivalent and other bank balances (Note 10)	**(313.70)**	(323.84)	(244.00)
Net debt	**12,191.19**	10,293.47	9,949.26
Equity share capital (Note 14)	**316.00**	79.00	79.00
Other equity (Note 15)	**6,084.22**	5,851.64	5,514.24
Total capital	**6,400.22**	5,930.64	5,593.24
Capital and net debt	**18,591.41**	16,224.11	15,542.50
Gearing ratio (%)	**65.57%**	63.45%	64.01%

In order to achieve this overall objective, the group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018, March 31, 2017and April 1, 2016.

NOTE 34 : CONTINGENT LIABILITIES **(₹ In Lakhs)**

Particulars	**As at 31.03.2018**	As at 31.03.2017	As at 01.04.2016
(a) Bills discounted but not matured	**47.21**	86.05	78.06
(b) Guarantees given by the Bankers on behalf of the Company.	**195.62**	195.62	202.87
(c) Disputed demand of Income Tax as the Company expects to succeed in the appeal.	**16.16**	12.42	12.71
(d) Disputed demand of Value Added Tax as the Company expects to succeed in the appeal.	**9.03**	9.03	-
(e) Guarantee to Bank against credit facilities (Fund Based & Non Fund Based Limits) extended to other companies (To the extent of credit facilities enjoyed at the balancesheet date)	**1579.13**	1403.45	1186.10

Notes Forming Part of the Consolidated Financial Statements

NOTE 35 : COMMITMENTS AND OBLIGATIONS **(₹ In Lakhs)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Estimated amount of contracts remaining to be executed on capital account (Net of Advance paid)	**508.84**	145.11	45.35

NOTE 36 : DISCLOSURE OF MICRO, SMALL AND MEDIUM ENTERPRISES

No disclosure have been made under the Micro, Small and Medium Enterprises Development Act, 2006 in note 17, for the year 2017-18. The company has undertaken that it has made sufficient efforts to get the necessary information from the "suppliers" regarding their status under the Act. This has been relied upon by the Auditors.

NOTE 37 : LEASES

The group has entered into agreements for taking on leave and license basis , for a period of 5 years. The specified disclosure in respect of these agreements is given below:

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
A. Lease payments recognised in the statement of Profit and Loss	**117.61**	123.02
B. Future Minimum Lease Payments		
(i) Not Later than one year	51.20	119.70
(ii) Later than one year, but not later than five years	5.28	49.88
(iii) Later than five years	30.36	-

NOTE 38 : SEGMENT INFORMATION

The group's operating segment are establised on the basis of those components of group that are evaluated regularly by the executive committee (The "Chief Operating Decision Maker" as defined in Ind AS 108 - Operating Segment), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products, the differing risk and returns and the internal business reporting system.

A. BUSINESS SEGMENT

The group operates in business segments i.e. Corn Wet Milling comprising mainly manufacture of Starches, its derivatives and bye products, manufacturing of spray drying of food products and production & trading of seeds.

(₹ In Lakhs)

Revenue:	For the year Ended March 31,2018	For the year Ended March 31,2017
1. Revenue from Operations		
Corn Wet Milling	**58,686.47**	56,249.60
Spray drying food Products	**244.78**	-
Seeds	**428.73**	55.98
Total	**59,359.98**	56,305.58
2. Other Income		
Corn Wet Milling	**332.47**	521.93
Spray drying food Products	**1.67**	-
Seeds	**-**	-
Total	**334.14**	521.93
Total Segment Revenue from external customer	**59,694.12**	56,827.51
3. Segment Results		
Segment result before interest and finance cost		
Corn Wet Milling	**2,102.29**	1,692.41
Spray drying food Products	**(6.09)**	-
Seeds	**21.48**	(1.33)
Total Segment Results	**2,117.68**	1,691.08
Less : Finance Cost	**1,246.54**	1,141.32
Profit from Ordinary activities	**871.14**	549.76
Provision for Taxes	**(336.43)**	(155.71)
Share of Profit in Joint Venture	**129.37**	123.01
Net Profit	**664.08**	517.06

Notes Forming Part of the Consolidated Financial Statements

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1. Segment Assets			
Corn Wet Milling	**24,575.95**	23,657.71	23,910.48
Spray drying food Products	**1,115.71**	-	-
Seeds	**733.14**	190.80	-
	26,424.80	23,848.51	23,910.48
2. Capital Expenditure			
Corn Wet Milling	**2,500.25**	1,167.45	2,395.84
Spray drying food Products	**707.23**	-	-
Seeds	**34.28**	-	-
	3,241.76	1,167.45	2,395.84
3. Segment Liabilities			
Corn Wet Milling	**18,567.31**	17,805.88	18,317.24
Spray drying food Products	**847.76**	-	-
Seeds	**532.90**	103.32	-
	19,947.97	17,909.20	18,317.24

(₹ In Lakhs)

4. Segment Depreciation and Amortisation	**For the year Ended March 31,2018**	For the year Ended March 31,2017
Corn Wet Milling	**817.27**	873.75
Spray drying food Products	**21.40**	-
Seeds	**0.96**	-
	839.63	873.75

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.

(₹ In Lakhs)

Segment Revenue:	**For the year Ended March 31,2018**	For the year Ended March 31,2017
1. Sales		
(a) India	**48,700.38**	46,953.74
(b) Outside India	**10,659.60**	9,351.84
	59,359.98	56,305.58
2. Other Income		
(a) India	**334.14**	521.93
(b) Outside India	**-**	-
	334.14	521.93

Notes Forming Part of the Consolidated Financial Statements

(₹ In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
1. Segment Assets			
(a) India	**26,407.69**	23,845.96	23,906.77
(b) Outside India	**17.11**	2.55	3.71
	26,424.80	23,848.51	23,910.48
2. Capital Expenditure			
(a) India	**3,224.31**	1,167.45	2,395.84
(b) Outside India	**17.45**	-	-
	3,241.76	1,167.45	2,395.84

NOTE 39 : EARNING PER SHARE (₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Basic and Diluted EPS		
a) Computation of Profit (Numerator)		
Profit available to Equity Shareholders	**663.75**	516.14
b) Weighted Average Number of Shares (Denominator)		
Weighted average number of Equity Shares of ₹ 10 each (PY ₹ 100 each) used for Calculation of basic and diluted Earning Per Share.	**31,60,000**	79,000
c) Basic and Diluted EPS (In Rupees)	**21.00**	16.33*

* The group has issued and alloted 23,70,000 equity shares to the eligible holders of equity shares on the book closure date i.e. 12th June, 2017 as bonus equity shares by capitalizing reserves of the group. The earning per share for the year ended 31st March, 2017 have been adjusted to give effect to the allotment of bonus shares, as required by Ind AS-33.

NOTE 40 : DIVIDEND ON EQUITY SHARES (₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Dividend declared and paid during the year		
Final Dividend of ₹ 150/- Per Share for the FY 2016-17 (₹ 125/- Per Share for the FY 2015-16)	**118.50**	98.75

NOTE 41 : EXPENDITURE FOR COPORATE SOCIAL RESPONSIBILITY ACTIVITIES

During the year ended March 31, 2018, the group has spent ₹ 15.48 towards Corporate Social Responsibility (CSR) under section 135 of the Companies Act, 2013 and Rules thereon by way of contribution to various Trusts/NGOs/Societies/Agencies.

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Gross Amount required to be spent by the company	**15.00**	19.06
Amount Spent during the year on		
Construction / Acquisition of any asset		
In Cash	-	-
Yet to be paid	-	-
Total	-	-
On purpose other than above		
In Cash	**15.48**	19.13
Yet to be paid	-	-
Total	**15.48**	19.13

Notes Forming Part of the Consolidated Financial Statements

Note 42 : DISCLOSURE REGARDING DERIVATIVE INSTRUMENTS :

1 The group has taken derivatives to hedge its trade receivable. The outstanding position of derivative instruments is as under:

Nature	Purpose	As at 31st March, 2018		As at 31st March, 2017	
		INR (₹ In Lakhs)	Foreign Currency	INR (₹ In Lakhs)	Foreign Currency
Forward Contracts	Hedging of Trade Receivable	**379.24**	**5,81,926**	506.29	7,69,694

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	Currency	As at 31st March, 2018		As at 31st March, 2017	
		INR (₹ In Lakhs)	Foreign Currency	INR (₹ In Lakhs)	Foreign Currency
Trade Receivables	USD	**687.17**	**10,54,425**	414.85	6,39,714
Trade Receivables	AED	**45.96**	**2,59,371**	-	-

Note : The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twelve months.

Note 43 : Events After Reporting Period

The Board of Directors of the group has recommended a final dividend of ₹ 3.75 per equity share of ₹ 10 each, aggregating ₹ 118.50 Lakhs for the year ended March 31, 2018, subject to the approval of shareholders at the ensuing annual general meeting.

Note 44 : Other Notes

i **Payment to Auditors**

Details of payment to Auditors are as follows:

(₹ In Lakhs)

Particulars	For the year Ended March 31,2018	For the year Ended March 31,2017
Audit fees	**6.22**	8.14
Tax audit fees	**1.00**	0.75
Certification and other services	**3.82**	27.33
Total	**11.04**	**36.22**

ii The presentation requirements under previous GAAP differs from Ind AS, and hence, previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The regrouped previous GAAP information is derived from the standalone financial statements of the group prepared in accordance with previous GAAP.

Note 45 : Exceptional Items pertaining to previous financial year

Exceptional items for Financial Year 2016-17 represents sundry balances written off/(written back), which are no longer recoverable/payable. The same represents (i) balances no longer recoverable from customers (net of advances) ₹ 19.35 Lakhs, (ii) balances no longer payable to vendors (net of advances) ₹ (12.98) Lakhs and (iii) other sundry balances no longer payable ₹ (14.51) Lakhs.

Notes Forming Part of the Consolidated Financial Statements

Note 46 : Disclosures mandated by Schedule III of Companies Act 2013

(₹ in Lakhs)

2017-18

Name of the Entities	Country	Net Assets i.e total assets minus total liabilities		Profit/(Loss) for the year		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
		Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit/(Loss) for the year	Amount	% of Consolidated OCI	Amount	% of Consolidated TCI
Parent Company									
Sayaji Industries Limited	India	5,168.50	92.88%	569.27	104.81%	-	0.00%	569.27	104.81%
Subsidiaries									
Sayaji Seeds LLP	India	180.01	3.23%	1.21	0.22%	-	0.00%	1.21	0.22%
Sayaji Ingritech LLP	India	211.54	3.80%	(27.24)	-5.02%	-	0.00%	(27.24)	-5.02%
Sayaji Corn Products Limited	India	4.92	0.09%	(0.08)	-0.01%	-	0.00%	(0.08)	-0.01%
Total		5,564.97	100.00%	543.16	100.00%	-	0.00%	543.16	100.00%
Non controlling interest in Subsidaries	India	76.61		(8.45)				(8.45)	
Joint Venture									
Sayaji Sethness Limited	India	835.26		129.37		(0.33)		129.04	
Grand Total		**6,476.84**		**664.08**		**(0.33)**		**663.75**	

2016-17

Name of the Entities	Country	Net Assets i.e total assets minus total liabilities		Profit/(Loss) for the year		Other Comprehensive Income (OCI)		Total Comprehensive Income (TCI)	
		Amount	% of Consolidated Net Assets	Amount	% of Consolidated Profit/(Loss) for the year	Amount	% of Consolidated OCI	Amount	% of Consolidated TCI
Parent Company									
Sayaji Industries Limited	India	5,080.91	98.38%	395.38	100.30%	-	0.00%	395.38	100.30%
Subsidiaries									
Sayaji Seeds LLP	India	78.81	1.53%	(1.20)	-0.30%	-	0.00%	(1.20)	-0.30%
Sayaji Corn Products Limited	India	5.00	0.10%	-	0.00%	-	0.00%	-	
Total		5,164.72	100.00%	394.18	100.00%	-	0.00%	394.18	100.00%
Non controlling interest in Subsidaries	India	8.67		(0.13)				(0.13)	
Joint Venture									
Sayaji Sethness Limited	India	765.92		123.01		(0.92)		122.09	
Grand Total		**5,939.31**		**517.06**		**(0.92)**		**516.14**	

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Name of the Entities	Country	Net Assets i.e total assets minus total liabilities	
		Amount	% of Consolidated Net Assets
Parent Company			
Sayaji Industries Limited	India	4,890.33	100.00%
Total		4,890.33	100.00%
Joint Venture			
Sayaji Sethness Limited	India	702.91	
Grand Total		**5,593.24**	

As per our attached report of even date

For, Shah & Shah Associates
Chartered Accountants
FRN : 113742W
Bharat A. Shah
Partner
Membership No. 030167

Ahmedabad
Date : May 16, 2018

Priyam B. Mehta
Chairman & Managing Director

Varun P. Mehta
Executive Director

Vishal P. Mehta
Executive Director

CA Mahendra N. Shah
Director

Dr. Gaurang K. Dalal
Director

CA Chirag M. Shah
Director

Sujata P. Mehta
Director

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

Rajesh H. Shah
Company Secretary

Ahmedabad
Date : May 16, 2018

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SAYAJI INDUSTRIES LIMITED

ATTENDANCE SLIP

CIN- L99999GJ1941PLC000471

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

I hereby record my presence at the 77th annual general meeting of the company held on Friday, 10th August, 2018 at 9.00 a.m. at Banquet Hall, The Grand Vinayak Hotel, S.P. Ring Road Odhav Circle, Odhav, Ahmedabad- 382410.

*Applicable for investors holding shares in electronic form.

Signature of shareholder/ Proxy

Tear Here

SAYAJI INDUSTRIES LIMITED
CIN- L99999GJ1941PLC000471
Regd. office: P.O. Kathwada-Maize products, Ahmedabad-382430.

Proxy Form[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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 **77th Annual general meeting** of the company, , to be held on Friday, 10th August, 2018 at 9:00 a.m at Banquet Hall, The Grand Vinayak Hotel, S.P. Ring Road Odhav Circle, Odhav, Ahmedabad -382410, 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 standalone and consolidated financial statements as on March 31, 2018 and reports of the board of directors and auditors thereon		
2	Declare dividend on equity shares of the company		
3	Appoint Mr. Vishal P Mehta who retires by rotation and being eligible offers himself for reappointment as a director of the company		
4	Ratify remuneration to be paid to Cost Auditors		
5	Grant consent to invite and accept the deposits from general public and shareholders		
6	Reappoint Mr. Priyam B Mehta as the Managing Director of the Company from 12th August, 2018 to 31st March, 2023 and to approve his remuneration for the period of three years from 12th August, 2018 to 11th August, 2021		
7	Approve the remuneration payable to Mr. Varun P Mehta for the remaining tenure of his appointment from 16th January, 2018 to 31st March, 2019		

Tear Here

Signed this ____________ day of ____________, 2018

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

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.

Quality Management System

ISO 9001:2015

Environmental Management System

ISO 14001:2015

Health & Safety Management System

OHSAS 18001:2007

SAYAJI INDUSTRIES LIMITED

CIN : L99999GJ1941PLC000471

Registered Office:

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

T: +91 79-22901581 to 85 | E: maize@sayajigroup.in