The sukhjit STARCH & CHEMICALS LIMITED

ISO 9001 : 2008
Certificate No. Q-01160722
www.sukhjitgroup.com

Regd. Office : Sarai Road, Phagwara
Distt. Kapurthala, Punjab (144 401)
CIN : L15321 PB1944 PLC001925

Phone : (01824) 468800, 261516
Fax : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com

Ref: SSC/VPF/BSE/2019-20/2750

Dt: 10/08/2019

Department of Corporate Services,
Bombay Stock Exchange-Mumbai,
25th Floor, P.J. Towers,
Dalal Street, Fort,
MUMBAI- 400 001.

Reg: Annual Report 2018-19

Dear Sir,

Please find a copy of Annual Report for the F.Y 2018-19. You are requested to kindly place the same on your Website.

Thanking You,

Yours Faithfully,
For THE SUKHJIT STARCH & CHEMICALS LTD

(AMAN SETIA)
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY

THE SUKHJIT STARCH & CHEMICALS LTD. * PHAGWARA *

Encl: as above

THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE

EVOLVING WITH NATURE
1944 2019
75
YEARS
75TH ANNIVERSARY

75TH ANNUAL REPORT 2018~19

THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. V.P. Kapahi - Chairman
S. Ranbir Singh Seehra
Smt. Ruby Agrawal
Sh. K.K. Sardana - Managing Director
Sh. M.G. Sharma - Executive Director (Fin) & CFO

BANKERS

Punjab National Bank
G.T. Road, Phagwara-144 401.

AUDITORS

M/s VSAP & Associates
Chartered Accountants
Street No. 1, Patel Nagar,
Banga Road, Phagwara-144 401.

REGISTERED OFFICE

Sarai Road, Phagwara
Distt. Kapurthala, Punjab-144 401
CIN : L15321 PB1944 PLC001925

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Skyline Financial Services (Pvt.) Ltd.
D-153A, Ist Floor, Okhla Industrial Area,
Phase-I, New Delhi-110 020
Tel. : 011-26812682, 83
Fax : 011-26812684

ANNUAL REPORT & ACCOUNTS 2018-2019

The Sukhjit Starch & Chemicals Limited

Late Shri I.K.Sardana

“ The greatness of a man is not in how much wealth he acquires, but in his integrity and his ability to affect those around him positively ”

“We miss you Sir”

Team Sukhjit

Mantras of Late Shri I.K. Sardana

1. **Be direct with your customer :**
   The only mantra of success in the business is transparency and consistency.

2. **God gives everybody equally :**
   Hard work is rewarded equally in this world. On moving average basis happiness index growth is most important factor.

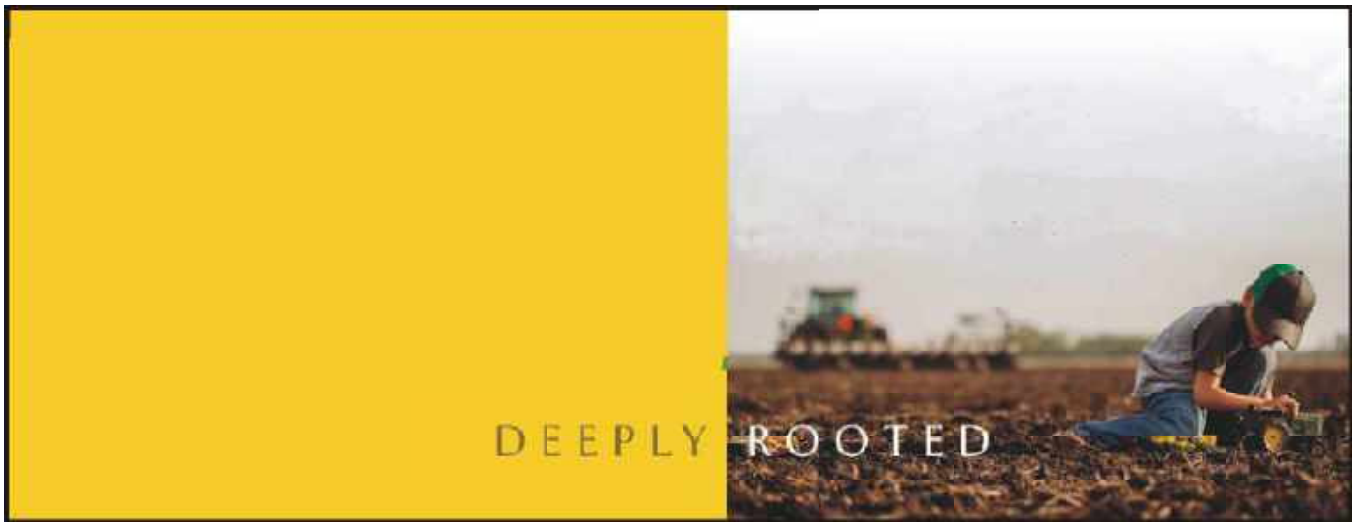
3. **There are no employees :**
   Everyone in the organisation are like family and everybody works for the common goal. Human touch is the most powerful motivational factor in the world.

4. **Trust** is our religion and there is no short cut for the same.

5. **Ethics** is above everything in business.

6. **Until or unless our foundation is strong,** our future is weak.

7. **Be humble and thankful always.** That's the real growth.



NOTICE

NOTICE is hereby given that the 75th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Thursday, the 8th day of August, 2019 at 10.00 A.M. at the Registered Office of the Company at Phagwara to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31.03.2019.
2. To ratify the appointment of Auditors for a further period of 1 year i.e. from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of the Companies Act, 2013 and to fix their remuneration.

SPECIAL BUSINESS

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, other applicable provisions (if any) of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby granted for the appointment of Shri K.K. Sardana (DIN: 00398376) as the Managing Director of the Company with effect from 1st May, 2019, for a period of 5 years on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the appointment including remuneration, commission etc. payable to Shri K.K. Sardana within the limits specified in Schedule V to the Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri K.K. Sardana."

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, other applicable provisions (if any) of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby granted to the re-appointment of Shri M.G. Sharma (DIN: 00398326) as the Executive Director (Fin) & CFO of the Company with effect from 1st August, 2019 for a period of 2 years, on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the appointment including remuneration etc. payable to Shri M.G. Sharma within the limits specified in Schedule V to the Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri M.G. Sharma."

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

   "RESOLVED THAT pursuant to the provisions of section 149, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013, Smt. Manjoo Sardana in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature to the office of Director and who is eligible for appointment as a Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

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

   "RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members be & is hereby granted to the appointment of S. Ranbir Singh Seehra (DIN: 01575708), as a Non Executive Independent Director of the Company w.e.f. 1st April, 2019 to hold office for a period of 3 years i.e upto March 31, 2022."

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

   "RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is be & hereby granted to the appointment of Smt. Ruby Agrawal (DIN: 08417902), as a Non Executive Independent Director of the Company w.e.f. 10th April, 2019 to hold office for a period of 3 years i.e. upto April 9, 2022."

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

   "RESOLVED THAT in suppression to the earlier resolution passed (if any) in this regard and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required, the consent of the shareholders be and is hereby accorded to the Company to sell, lease, dispose off any asset of the Company and/or to pledge/ mortgage/ hypothecate/ charge in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company on all/ or part of its movable and/or immovable properties, both present and future and the whole or part of its undertaking of every nature & kind whatever and/or creating of floating charge in all or any moveable or immoveable properties of the Company and the whole / part of its undertaking in such manner as the Board may deem fit, to or in favour of Banks/ Financial Institutions/ Investors/ Lenders or any other person, to secure the amount borrowed, loans /advances

already obtained or that may be obtained, including interest, all other costs, charges and expenses and other moneys payable either by the Company itself or any of its subsidiariy from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required for the purpose of giving effect to the aforesaid Resolution."

9. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2020, by passing with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration fixed by the Board of Directors payable to the Cost Auditors for conducting the audit of cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified."

By Order of the Board
Sd/-
AMAN SETIA
Vice President (Finance)
& Company Secretary

Place : Phagwara.
Dated : 25th May, 2019

EXPLANATORY STATEMENT(S) OF ITEM NO. 3 TO 9 (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 3

Shri K.K. Sardana was re-appointed as Jt. Managing Director for five years by passing special resolution by the Shareholders in the Annual General Meeting held on 29th day of July, 2015 (with effect from 1st September, 2015). Since our worthy Managing Director Sh. I.K. Sardana passed away on 30/04/2019, your Directors, subject to the approval of the shareholders in the General Meeting, have appointed Shri K.K. Sardana as Managing Director of the Company for a further period of 5 years with effect from 1st May, 2019 on the following terms & conditions :-

1. The Managing Director shall act under the superintendence, control and directions of the Board of Directors and is vested with the powers of governance and control of the Company and is authorized to exercise all the powers for the general conduct of business and affairs of the company efficiently and profitably.
2. The appointment is made for a period of 5 years with effect from 1st May, 2019.
3. REMUNERATION:
   (a) Salary & Allowance : ₹ 6.95 Lacs p.m. (Basic Salary ₹ 4.65 lacs & Allowances ₹ 2.30 lacs) (present emoluments) with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
   (b) Commission : ½% (Half percent) of the net profits of the company for each financial year.
   (c) Perquisites : Perquisites shall be allowed in addition to salary and commission & will be restricted to an amount equal to the annual salary.

Unless otherwise the context requires Shri K. K. Sardana shall be entitled to the following perquisites under three categories:-

CATEGORY 'A'

(i) Free furnished accommodation with 10% deduction of salary.

(ii) Medical re-imbursement for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a period of three years as per the rules of the Company.

(iii) Leave Travel Concession to the appointee and his family once in a year as per rules of the Company.

(iv) Club Fee subject to a maximum of two clubs and not including membership fee or life membership fee.

(v) Personal Accident Insurance & Mediclaim Insurance as per rules of the company.

CATEGORY 'B'

(i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act.

(ii) Earned Leave : Full pay and allowances as per rules of the Company but not exceeding one months' leave for every 11 months of service. Encashment of leave at the end of tenure will not be considered as ceiling on the computation of perquisites.

CATEGORY 'C'

Provision of chauffeur driven car for use on company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls or private use of car shall be billed to the appointee as per rules of the company.

The above limits shall be subject to Schedule V of the Companies Act, 2013 and any amendment thereto as may be made by the Central Government from time to time and agreed between the Board of Directors and Shri K.K. Sardana. He shall be entitled to actual entertainment and travelling expenses incurred during the course of business as per rules of the Company. Shri K.K. Sardana will not receive any sitting fee for attending the meeting of the Board of Directors of the Company and shall not, so long as he functions as a Managing Director of the Company, become interested or concerned directly or through his wife or minor children in any selling agency of the company or any of its subsidiary companies, without prior approval of the shareholders (if any required).

Sh. K.K. Sardana (being 71 years of age) has life long Administrative, Management, Commercial & Technical experience to his credit with the sound business acumen. The company has grown significantly with new projects, expansions or diversified product portfolios under his able stewardship. The Company has shown a quantum jump in its turnover and profitability over the years. The Company is setting an expansion unit which will increase the installed capacity of the company by about 50% in F.Y. 19-20. Sh. K.K. Sardana will not only play a vital role in successful commissioning of the project and its profitable operations thereafter but also guide the future growth of the company in the year to come.

The Board recommends his appointment as the Managing Director of the Company for a period of five years w.e.f 1st May, 2019 (with the approval of the shareholders by way of special resolution) so as to continue benefiting from his lifelong experience and astute leadership in the overall interest and future growth of the company.

None of the Directors except Shri K.K. Sardana himself is concerned or interested in this resolution.

ITEM NO. 4

Shri M. G. Sharma, who is B.Sc , D.B.I.M, F.C.A, A.C.S and has been working with the company since 1981 and as Group Senior Vice President & C.F.O. when co-opted as member of the board on 1st August, 2019. He is heading finance and commercial functions of the company with due compliance of statutory Acts like Income Tax Act, Central Excise Act etc and other applicable Acts to the company from time to time. The Board, in their meeting held on 25.05.2019 (subject to the approval of the shareholders in the ensuing General Meeting) have re-appointed Shri M.G. Sharma as Executive Director (Fin) & C.F.O. of the Company for a period of 2 years with effect from 1st August, 2019 on the following terms & conditions :

1. The Executive Director (Fin) & C.F.O. shall be vested with the powers of governance & control for the general conduct of business and affairs of the company efficiently and profitably under the superintendence / overall directions of the Board of Directors / Managing Director.
2. The appointment is made for a period of 2 years with effect from 1st August, 2019.
3. REMUNERATION:
   (a) Salary & Allowances : 3.71 Lacs p.m. (Basic Salary Rs. 1.75 lacs & Allowances Rs. 1.96 lacs) (present emoluments) with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
   (b) Perquisites : Perquisites shall be allowed in addition to salary & will be restricted to an amount equal to the annual salary.

Unless otherwise the context requires Shri M. G. Sharma shall be entitled to the following perquisites under three categories :

CATEGORY 'A'

(i) Free furnished company owned/rented accommodation.
(ii) Medical re-imbursement for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a period of three years as per the rules of the Company.
(iii) Leave Travel Concession to the appointee and his family once in a year as per rules of the Company.
(iv) Club Fee subject to a maximum of two clubs and not including membership fee or life membership fee.
(v) Personal Accident Insurance & Mediclaim Insurance as per rules of the company.

CATEGORY 'B'

(i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act.
(ii) Earned Leave: As per rules of the Company and being presently enjoyed by him.

CATEGORY 'C'

Provision of chauffeur driven car for use on company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls or private use of car shall be billed to the appointee as per rules of the company. The above limits shall be subject to Schedule V of the Companies Act, 2013 and any amendment thereto as may be made by the Central Government from time to time and agreed between the Board of Directors and Shri M.G. Sharma. He shall be entitled to actual entertainment and travelling expenses incurred during the course of business as per rules of the Company. Shri M.G. Sharma will not receive any sitting fee for attending the meeting of the Board of Directors of the Company and shall not, so long as he functions as Executive Director of the Company, become interested or concerned directly or through his wife or children in

any selling agency of the company or any of its subsidiary companies, without prior approval of the shareholders (if any required).

He has been associated with the company for more than three decades and has been involved in policy formulation and various other activities like project / product planning & development. He is also actively involved in key areas like procurement of raw materials, marketing of finished products and other commercial activities besides heading the finance department of the Company.

The Board, therefore, in the overall interest of the company, recommend his appointment as Executive Director (Fin) & C.F.O. for a further period of 2 years with effect from 1st August, 2019.

None of the Directors except Shri M.G. Sharma himself, is concerned or interested in this resolution.

ITEM NO. 5

The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder along with a necessary deposit, as required under the provisions of the Act, proposing the candidature of Smt. Manjoo Sardana as a director of the Company. The Company has also received her consent to act as a Director of the Company u/s 152(5), Notice of Interest u/s 184 (1) and declarations u/s 164(1) & 164(2) of the Companies Act, 2013. She is not related to any of the Directors of the Company under the provisions of the section 2(77) of the Companies Act, 2013.

She being a Non- Executive Director shall be liable to retire by rotation. She will be paid sitting fee, reimbursement of travelling expenses and commission on profits, as payable to other Non-Executive Directors of the Company, as per the rules of the Company and in consonance with the provisions of the Companies Act, 2013 read with rules made thereunder as amended time to time.

Smt. Manjoo Sardana is Science Graduate and an experienced entrepreneur with sound business background. She is involved in philanthropic activities in the field of education and healthcare etc. She brings with her diverse experience and skills in various fields which will further strengthen the composition of the Board of Directors of the Company. She will play an active role in guiding the future growth of the Company.

She does not hold any other directorship & holds15,12,966 shares of the Company.

None of the Directors except Smt. Manjoo Sardana herself, is concerned or interested in this resolution.

ITEM NO. 6 & 7

S. Ranbir Singh Seehra, a renowned industrialist, has been appointed by the Board as an Additional Non Executive Independent Director to hold office till the conclusion of this Annual General Meeting and requires the approval of shareholders in the AGM for his regularization as the Non-Executive Independent Director of the Company. S. Ranbir Singh Seehra is having long experience of over three decades in manufacturing administration, management and commercial activities. He is presently working as Chief Executive Officer of M/s. GNA Axles ltd. which he has steered to higher growth trajectory in the last couple of years.

Smt. Ruby Agrawal, a business person, has also been appointed by the Board as an Additional Non Executive Independent Director to hold office till the conclusion of this Annual General Meeting and requires the approval of shareholders in the AGM for her regularization as the Non-Executive Independent Director of the Company. Smt. Ruby Agrawal is an MBA from a renowned University and is presently working as Senior Managing Partner of growing I.T. Company at Udaipur. She has rich experience in the business administration and IT sector. Her induction of the Board, she will further strengthen the composition of the Board.

In terms of Section 149, 150, 152 and any other applicable provision of the Companies Act, 2013 and rules made

thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as Independent Directors for a period of 3 years and shall not be liable to retire by rotation.

The Independent Directors have confirmed that they are not disqualified in terms of Section 164 of the Act read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as Independent Director of the Company.

In opinion of the Board, the Independent Directors proposed to be appointed fulfill all the conditions specified in the Companies Act, 2013 and the rules made thereunder and are independent of the Management. The terms and conditions of appointment of the independent directors are available for inspection by members at the registered office of the Company and are also available on the website of the Company.

The Board considers that their association would be of immense benefit to the Company. Accordingly, the Board recommends the appointment of the Independent Directors and propose to pass the resolutions set out in item no. 6 & 7 (both inclusive) respectively.

Save and except the Independent Directors and their relatives to the extent of their shareholding interest, if any, in the company with regard to their respective appointments, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at item no. 6 & 7 (both inclusive).

ITEM NO. 8

The Board considered the fact that the Company is in expansion mode and may require additional funds in future for its upcoming expansion projects. The Company does not have much borrowing at present. However, it may, from time to time, require additional borrowing/ financing from various Banks/ Financial Institutions or other Lenders, as may be considered appropriate or competitive. Further, the Company continuous to optimise its cost of funds & some banks/ financial institutions offering better/ competitive rates, require addtional/ collateral security. The company may, therefore, require to create Hypothecation/ Mortgage of all/ some of its moveable and/or immoveable properties of the Company, to meet the requirement of Banks/ Financial Institutions / other Lenders.

The Directors, therefore by way of abundant caution, decided to seek necessary approval of the shareholders u/s Section 180 (1) (a) the Companies Act, 2013 in the ensuing Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in this Resolution except to the extent of their shareholding in the company.

ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors i.e. Audit fee of ₹ 80,000/- (as per Previous Year) plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the

financial year ending March 31, 2020 by passing an Ordinary Resolution as set out at Item No. 9 of the Notice. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND A VOTE AT THE 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. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2019 and Profit & Loss Account for the year ended on that date together with the Independent Auditors' Report and Directors' Report thereon are also enclosed. Members, are, however, requested to bring their copies of the Annual Report to the meeting.
3. The notice of the AGM along with the Annual Report for the financial year 2018-19 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed herewith marked as "Annexure 1". The Board of Directors recommend all the appointments/ re-appointments as proposed.
5. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail Ids by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents / all communications including Annual Reports, Notices, circulars etc. in electronic form.
6. The Register of Members and the Share Transfer Books of the Company shall remain closed from 03.08.2019 to 08.08.2019 (both days inclusive).
7. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
8. 2018-19 being the 75th year of company's excellent existence in the industry, Board has declared and paid an Interim Dividend @75% (i.e. Rs.7.5/- per share) to the shareholders of the Company in February, 2019. The Board considered the same as the dividend for the Financial year 2018-19.
9. Members are hereby informed that, Dividends which remain unclaimed / unencashed for over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 125 of the Companies Act, 2013. Members can claim the transferred amount from IEPF Authority as per the procedure laid down under the Act.

10. Members, who have not en-cashed their dividend warrants for Interim and Final Dividend for the financial year 2011-2012, 2012-2013, 2013-14, 2014-15, Interim Dividend 2015-16, 2016-17 & 2018-19 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid / unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2011-2012	09.08.2012	08.08.2019
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025

11. Members holding shares in single name and physical form are advised to make nomination in respect of their share-holding in the Company. Every person, who becomes the nominee under the provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
12. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to notify their PANs to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PANs to the Company / RTA.
13. The Board of Directors of the Company comprises of two executive directors and three independent directors. So, none of them is required to retire by rotation at the AGM as per the provisions of the Companies Act, 2013.
14. (a) In accordance with the provisions of section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to transact through electronic voting system and the company is providing the facility for voting by electronic means (e-voting) to all its member. The Company has engaged the services of National Securities Depository Ltd. (NSDL) to provide e-voting facilities and enable the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link **www.evoting.nsdl.com** during the following voting period :-

Commencement of e-voting : From 9.00 A.M. on 5th August, 2019

End of e-voting : Upto 5.00 P.M. on 7th August, 2019

E-voting shall not be allowed beyond 5.00 P.M. on 7th August, 2019. During E-voting period, the share-holders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut off date, may cast their vote electronically. The cutoff date of e-voting is

2nd August, 2019. The date of determination of shareholders for the purpose of dispatch of notice is 5th July, 2019.

(b) **'Voting by electronic means'** or 'electronic voting system' means a **'secured system'** based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate **'cyber security'.**
It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

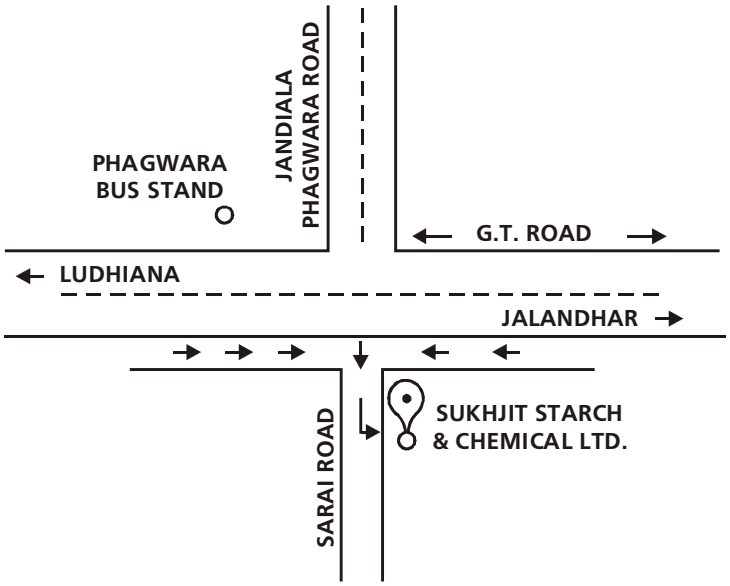
Process / Manner of e-voting - For the Shareholders :

The detailed instructions for E-voting have been given separately in the attached format for E-voting. In case of any queries, you may refer the frequently asked questions (FAQs) - Shareholders and e-voting user mannual - Shareholders, available at the downloads section of **www.evoting.nsdl.com.**

(c) The login ID and password for e-voting are being sent to the members, who have not registered their e- mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.

(d) The Company has appointed Mr. Parminder Singh Rally, Practicing Company Secretary, Membership No.6861, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.

Route Map to the venue of the AGM



Annexure - 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard-2 on General Meetings]

Name of the Director	S. Ranbir Singh Seehra	Smt. Ruby Agrawal	Smt. Manjoo Sardana
DIN	01572708	08417902	–
Date of Birth	04.12.1961	02.03.1968	27.10.1952
Age	57	51	66
Date of first appointment on the Board	01.04.2019	10.04.2019	08.08.2019
Qualifications	Diploma in Mechanical Engineering	Bachelors in Science & Masters in Business Adm.	Bachelors in Science
Experience and Expertise	Over 35 years	Over 22 years	Over 40 years
Number of Meetings of the Board attended during the year	–	–	–
List of Directorship of other Board	• GNA Axles Ltd. • Guru Nanak Transmission Punjab Ltd. • GNA Gears Ltd. • GNA Investment Ltd. • Association of Indian Forgoing Industry	–	–
List of Membership / Chairmanship of Committees of other Board	• Member of Audit Committee in GNA Axles Ltd. • Member of Nomination & Remuneration Committee in GNA Gears Ltd.	–	–
Shareholding in Sukhjit Starch & Chemicals Ltd.	–	–	1512966
Relationship with other directors, manager and other Key Managerial Personnel of the Company	No relationship	No relationship	No relationship
Terms and Conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per the Nomination & Remuneration Policy of the Company.	As per the Nomination & Remuneration Policy of the Company.	As per the Nomination & Remuneration Policy of the Company.
Justification for choosing the appointees for appointment as Independent Directors	• Renowned Industrialist having vast commercial & administration experience • No relationship with any of the Director/ KMP of the Company • Meets the criteria of independence as prescribed under the Act.	• Have more than 2 decades experience in commerical and IT sector. • No relationship with any of the Director/ KMP of the Company • Meets the criteria of independence as prescribed under the Act.	— N.A.—

MANAGING DIRECTOR'S SPEECH

Dear Fellow Shareholders,

Despite the cheapest Internet downloads and a whopping 85% jump in consumption of online and digital news capsules and fake news entertainment, the English newspaper readership grew by a marginal 10% in the past 5 years while Hindi readership grew by over 35%. Even the regional papers grew by more than 7%.

As the new government with more stability is now focused on improving healthcare, literacy levels and women's empowerment for every next person who is at the bottom of the pyramid, we at Sukhjit are READY to feed and service this NEW Literate Quality conscious Indian, who wants to pay a PREMIUM.

But in our boardroom when we discuss and pretend or assume the demands of today's NEW Literate Quality conscious Indians, every time we conclude on innovative solutions to meet the changing customer demands.

How is the everyday life of the common man changing with the rise of technology? With changes in lifestyle, sleeping habits and diets, every next Indian needs products with longer shelf-lives. The daily fiber or nutrient intake levels of our masses is much below the recommended global average.

We deliver meaningful solutions to our end-users but at a premium for the value addition we bring along.

India is the world's largest democracy with a demographic dividend that makes her home to the youngest population across the world. This growing population puts us, as a country, in an enviable position but this requires quality food and nutrition. Our kids require high nutrients to compete with international students. With limited natural resources and the vagaries of the nature, it is necessary to optimally use our natural resources to cater to the needs of our growing population. And I am sure the steps your company is pursuing will definitely help us in achieving the goals of sustainable agriculture.

There are over 50 types of milk shakes, mocktales and cold drinks available in the general stores across our small town, leaving aside the metros. The demand for such products grew in high double-digits in the past 3 years. The food packaging industry is getting into the interiors now, exciting the first time-users. States like Maharashtra have seen huge jump in demand of quality paper packaging products after the recent ban on plastics. The same is going to replicate in Punjab, Gujarat and UP very soon. Textile was the only sector which was not able to remain at the same level in the past few years.

We have tried to improve the quality of our offerings by bringing in more transparency and ethical business practices, which are solely focused on consistently, improving the quality of our offerings. We have always believed that trust comes automatically if we do this in our B2B business. I still believe customer understanding drives the coming year's profit. We use market research to understand the dynamics of customer behavior. We use this insight to develop new products so that we remain different from our competitors.

Despite this, for sustainable long-term growth, our strategy to offer MNC quality at Indian prices will continue.

I believe that a satisfied customer is the best business strategy of all.

As our previous MD said in the annual report last year, we at Sukhjit need to reinvent ourselves. These all are the trigger points for our confidence. Trust me, this confidence is not something that happens overnight. We have been working on it for a long time now.

I look into the mirror and do the following affirmations :

Having started in 1944, went through many ups and downs. But today's challenges are different.

At Sukhjit, what we have done in the past 75 years is focus on only ONE thing: To improve the Happiness index of the common man with our quality products to our customers.

We believe we can successfully grow our business and have a positive impact on the society we live if :

Our purpose is to improve the lives for generations.

Our purpose is to inspire and inform our customers on what we do.

Our motivation makes us strive to do better every year.

If our purpose is our passion and if it's in our DNA.

I personally believe that our agri and food processing sector is far below its potential as our crop yields are below the global average despite high absolute output.

Please look at the following numbers :

COUNTRIES	AREA IN MILLION KM^2	MAIZE PRODUCTION IN MILLION BUSHELS	POPULATION GROWTH RATE (YEARLY)
USA	9.834	14420	4.27%
CHINA	9.597	10131	0.35%
BRAZIL	8.516	3720	0.72%
ARGENTINA	2.78	1811	0.92%
UKRAINE	0.604	1398	-0.49%
INDIA	3.287	1024	1.08%
MEXICO	1.973	1008	1.20%

Source : www.tradingeconomics.com ; www.worldofcorn.com

If we study these macro data carefully, we will understand the REAL potential of this cyclical, challenging but the interesting industry.

If the government bid to improve the farmers' income to succeed, more long- term measures and handouts for a sustainable solution are needed. Let me tell you that maize is now a new wonder crop. It uses less water but brings more price realization per acre for our farmers. There is a substantial change in crop pattern sowing in the past few years. Farmers were rewarded last year by at least 35% appreciation in prices. This year also I believe that farmers will get at least 15% increment on moving average basis.

We're raising the bar across everything we do to continue to accelerate our growth, improve productivity, and empower the organizational culture to deliver sustained, strong performance in a challenging environment. The overall outlook remains positive for the consumer goods industry in the coming year. With growing disposable income, rising urbanization and the exponential growth of e-commerce, we expect our business to grow and we will continue to delight our consumers with superior products and value propositions.

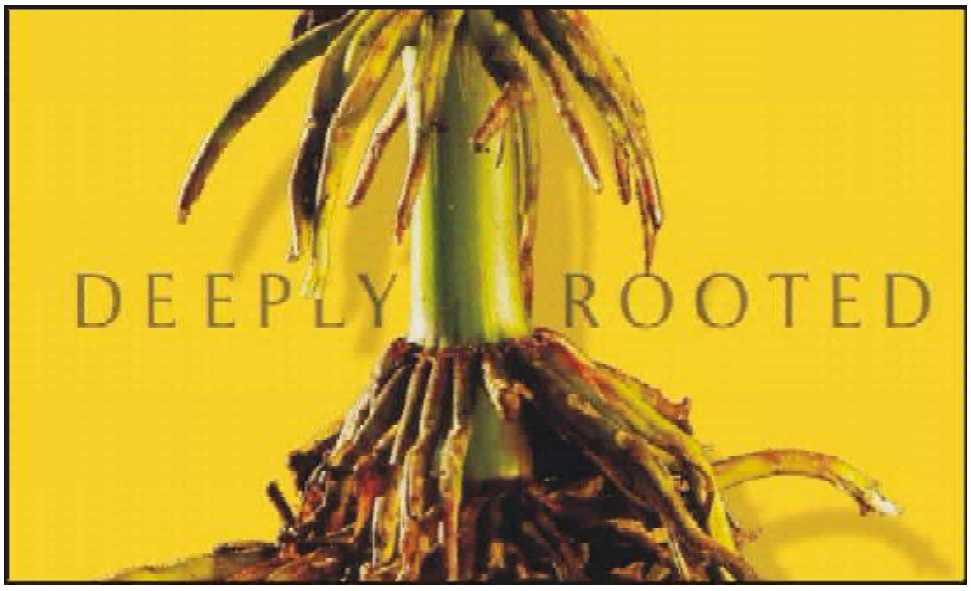
Results :

I am pleased to report that your company has delivered a strong performance in the year to March 2019 with higher profit and EPS.

We could maintain high cash generation leaving us a robust balance sheet despite increase in debt, providing flexibility to support future growth.

I am pleased to announce that the company has paid a dividend of ₹ 7.5 per share apart from a 1:1 bonus issue. This reflects the Board's confidence in the business, while at the same time continuing to rebuild dividend sustainability.

Looking ahead, the Board remains committed to a progressive policy of growing our dividend taking into account the earnings prospects and investment needs. We promise that in every business scenario, we will follow our core values of hard work, integrity, team work and social commitment.



For SUKHJIT, sustainability means making every day better for people through how we innovate and how we act. Your company has continued to impact the communities around its plants in a holistic manner throughout the year gone by. With thanks, I offer full credit for the last year performance to the Sukhjit FAMILY.

As we conclude another year of our commitment to farmers, I take this opportunity to thank our valued customers, stakeholders, suppliers, business associates, shareholders, bankers and above all, my colleagues in Sukhjit for the unstinted support.

Lastly on behalf of the Board I once again remember our previous MD and my brother, philosopher and guide for his contribution for the growth of our company as well as the starch industry. I must also use this opportunity to tell the fellow shareholders that his contributions were invaluable till last despite some health issues.

Yours Sincerely,

K. K. Sardana

"*The biggest risk is not taking any risk... In a world that changing really quickly, the only strategy that is guaranteed to fail is not taking risks.*"

- Mark Zuckerberg.

DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 75th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2019 :-

1. FINANCIAL RESULTS

	2018-19 (₹ in Crores)	2017-18 (₹ in Crores)
Sales & Other income	743.15	713.25
Earning before Interest, tax and Depreciation	95.00	68.43
– Less Interest	16.28	17.54
– Depreciation	12.74	14.72
Profit before tax	65.98	36.17
– Provision for taxes (including Deferred Tax)	24.30	13.15
Profit After Tax	41.68	23.02
Surplus brought forward from previous year	21.39	17.81
Dividend for the F.Y. 17-18 (F.Y. 16-17)	5.78	4.44
(including Dividend Distribution Tax)		
Interim Dividend for F.Y. 18-19	6.67	–
(including Dividend Distribution Tax)		
Transfer to General Reserves	25.00	15.00
Surplus carried forward	25.62	21.39

2. PERFORMANCE

The Company has shown excellent performance during the financial year ended 31st March, 2019. The Sales and other income of the Company have increased from ₹ 713 crores to ₹ 743 crores. The Earnings before Interest, Tax and Depreciation stood at ₹ 95.00 Crores (₹ 68.43 crores) showing an increase of about 39% during the year under reference, which after interest of ₹16.28 crores (₹17.54 crores) and depreciation of ₹12.74 crores (₹ 14.72 crores) resulted in a Net Profit before tax of ₹ 65.98 crores (₹ 36.18 crores) with a jump of over 82 %. The Net Profit after tax has also shown an excellent increase of around 81 % and came at ₹ 41.68 crore against ₹ 23.02 crore in the immediate previous financial year.

3. FUTURE PROSPECTUS

With the prediction of normal monsoons during the running year, it is expected that the production of agriculture produce will improve the availability of basic raw material at an optimum cost. Good production of the agricultural produce will also ensure continuous supply of raw material at all plant locations of the Company. The Company is expected to show reasonable growth in its operations in the running year due to optimum utilization of capacities of the existing units and commencement of Production by its new unit, coming up in the state of Punjab and expected to get commissioned in the 3rd Quarter of the running year.

DIRECTORS' REPORT

4. CAPEX & CREDIT RATING

The Credit Analysis & Research Limited (CARE) has maintained the rating CARE A+ for the long term borrowings of the Company and CARE A1 for the short term borrowing of the Company. Fixed Asset (Net) stood at ₹ 321.55 crores against ₹266.30 crores previous year. Current Assets at ₹ 158.03 crores as compared to ₹148.20 crores on 31.03.2018 with Inventories level at ₹ 53.24 crores on 31.03.2019 against ₹ 92.10 crores in previous year.

The Management believes that the Company has enough liquid resources at hand to meet any additional working capital requirements and funds for the ongoing expansion projects.

5. MANAGEMENT DISCUSSION AND ANALYSIS

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management's discussion and analysis report is annexed herewith marked as 'Annexure A' and forms a part of this report.

6. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all the applicable laws, rules and regulations. In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, the Company has duly implemented the system of Corporate Governance. The report on the Corporate Governance is annexed to this report marked as 'Annexure B'.

7. SHARE CAPITAL

The paid up Equity Share Capital of the Company as at March 31, 2019 stood at ₹ 14.76 crore. During the year under reference, the Company has issued Bonus shares of face value of ₹ 10/- each (fully paid up) in the ratio of 1:1 to the existing shareholders by capitalizing the share premium account /free reserves of the company.

8. DIVIDEND

2018-19 being the 75th year of company's excellent existence in the industry, Board has declared and paid an Interim Dividend @75% (i.e. ₹ 7.5/- per share of ₹ 10/- each) to the shareholders of the Company in February, 2019. The Board considered the same as the dividend for the financial year 2018-19.

9. TRANSFER TO RESERVES

The Company has transferred ₹ 25 crores (PY ₹ 15 crores) to the general reserve.

10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3c) of the Companies Act, 2013, the Directors state that:

(a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2019, the applicable Indian Accounting Standards have been followed and there are no material departures;

(b) appropriate accounting policies have been selected and applied 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 and of the profit of the company for the year so ended;

(c) proper and sufficient care has been taken 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;

DIRECTORS' REPORT

(d) the Annual Accounts for the year ended 31.03.2019, have been prepared on a 'going concern' basis;

(e) the internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and are operating effectively; and

(f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

11. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

(a) The Vijoy Steel & General Mills Company Ltd., Phagwara: The Company held 96.17% of shares in the capital of the Vijoy Steel & the General Mills Co. Ltd. The Company continuoues providing good engineering support to the manufacturing operations of the Company.

(b) Scott Industries Ltd., Phagwara: The Company held 99.97% of shares in the capital of the Scott Industries Ltd. The Company has shut down its operations. Most of its assets have been already disposed off and efforts are on to realize the dues from its old customers.

(c) Sukhjit Mega Food Park & Infra Ltd., Phagwara: The Company held 100% of shares in the capital of its subsidiary Sukhjit Mega Food Park & Infra Ltd. The work is going on as per the schedule and the Company has already spent over ₹ 70 crores on the Project. The Project is expected to be commissioned in the 3rd quarter of the F.Y. 2019-20.

There has been no material change in the nature of business of the Subsidiaries.

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, The Consolidated Financial Statements of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Indian Accounting Standard(s) as prescribed under the Companies Act, 2013.

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2019 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company who may be interested in seeking such information and are also available for inspection by any shareholder of the Company at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiaries to any shareholder on demand.

12. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

In terms of the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of Directors/ KMP are set out in the 'Annexure C' to the Directors' Report.

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the employees who are in receipt of remuneration over ₹ 1.02 crores p.a. if employed throughout the year or ₹ 8.5 lacs p.m. if employed for a part of the year during 2018-19 are given below :

DIRECTORS' REPORT

(A) Persons employed through out the year and were in receipt of remuneration aggregating not less than ₹ 1.02 Lacs for the year:

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	73	Managing Director	147.38
2	Shri K.K. Sardana	71	Jt. Managing Director	131.41

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	53	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	48	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)

(B) Persons employed for a part of the year and were in receipt of remuneration at a rate not less than ₹ 8,50,000/- per month

– NIL –

Note :

1. The Remuneration shown above includes salaries, allowances, commission, contribution to provident fund and perquisites valued in accordance with the income tax rules.
2. Pursuant to the provisions of the section 197 (14) of the Companies Act, 2013, there is no holding Company and Sh. I.K. Sardana & Sh. K.K. Sardana have not received any remuneration in form of commission, allowances and sitting fees from any of its subsidiaries.

13. DIRECTORS

(a) Sh. I.K. Sardana, our worthy Managing Director left for heavenly abode on 30-04-2019. The Company acknowledge with gratitude the services provided by Sh. I.K. Sardana during his long association with the Company spanning over five decades and about 42 years as the Managing Director of the Company. The Company has grown significantly with new projects & expansions under his able stewardship. The Board of Directors, Management and staff expressed their deep sense of sorrow and grief at losing the epitome of ethics and the custodian of great human values.

(b) Sh. S.C. Jindal, Sh. S.K. Anand, Smt. Ravi Chowdhry, Sh. V.K. Sardana and Sh. Naresh Sardana, all being over 75 years of age, ceased to be the Directors of the Company w.e.f 1st April, 2019 pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 (notified on 9th May, 2018). Consequently, the above directors have also ceased to be members of the various committees of the Board accordingly.

DIRECTORS' REPORT

(c) The Board have co-opted Sh. Ranbir Singh Seehra (DIN: 01575708) as an Additional Independent Director on 01.04.2019. He will hold the office till the Annual General Meeting and Board has recommended his appointment as an Independent Non-Executive Director of the Company. He is having long experience of over three decades in the manufacturing, administration, management and commercial activities. He is presently working as Chief Executive Officer of M/s GNA Axles ltd. which he has steered to higher growth trajectory in the last couple of years.

(d) Smt. Ruby Agrawal (DIN: 08417902) has been co-opted as Additional Independent Woman Director of the Company on 10.04.2019. The Board has recommended her appointment as Independent Woman Non-Executive Director of the Company in the ensuing Annual General Meeting. She is an MBA from renowned University and is presently working as Senior Managing Partner of a growing I.T. Company at Udaipur. She has rich experience in the business administration. Her induction of the Board, she will further strengthen the composition of the Board.

(e) A Notice has been received from shareholders u/s 160 of the Companies Act, 2013 proposing the appointment of Smt. Manjoo Sardana to the office of Director of the Company. Accordingly, a resolution for her appointment has been proposed to be passed by the shareholders in ensuing Annual General Meeting. Mrs. Manjoo Sardana is a Science Graduate and an experienced entrepreneur with sound business background. She is involved in philanthropic activities in the field of education and healthcare etc. She brings with her diverse experience and skills.

(f) The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence and comply with all the requirements in pursuance to subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as independent directors under the provisions of the Act and rules thereunder.

(g) Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the board and its committees which, inter-alia, includes evaluation of leadership abilities, contribution to corporate objectives & plans, regular monitoring, effective decision making ability, attendance and contribution at Board and Committee meetings etc. The committee has in place a suitable policy for the appointment & remuneration of the Directors/ KMPs.

The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process

The Board of Directors held eight meetings during the year under reference and details thereof appear in report on Corporate Governance of the Annual report.

14. INTERNAL FINANCIAL CONTROLS

Internal financial control systems of your company ensure the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals and compliance with all the applicable laws & regulations. The 'Internal & External' Auditors of the Company also measure the effectiveness of internal controls through periodical checks and ensure that company has an effective internal control system duly commensurate with

DIRECTORS' REPORT

its size and nature of business. The management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

15. VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a vigil mechanism, which also incorporates a Whistle Blower Policy, for Directors and employees of the Company to report genuine concerns of unethical behavior or violation of code of conduct by way of direct access to the Chairman of the Audit Committee. There are adequate safeguards against victimization of employees/ directors who express their concerns. Whistle Blower Policy of the Company stands placed on the Company's website at the link: http://sukhjitgroup.com/whistle_blower_policy.html.

16. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Section 177 of the Companies Act, 2013 ('the Act') and Regulation 18 of Listing Regulations, as applicable, besides other terms as referred by the Board of Directors. The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with highest levels of transparency, integrity and quality of financial reporting. The committee oversees the work carried out in financial reporting process by the Management, the internal auditors and the independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion & analysis and result of operations, statement of significant related party transactions and such other matters as prescribed.

During the year under reference, the Audit Committee of the Company consisted of Sh. V.P. Kapahi as Chairman and Shri S. K. Anand, Shri K.K. Sardana and Shri S.C. Jindal as its members. All the recommendations made by the Audit Committee were accepted by the Board.

17. GENERAL DISCLOSURE

(i) All the deposits have been accepted/ renewed / repaid as per the provisions of the Companies Act. The company had no unclaimed / unpaid deposits on 31/03/2019. Unsecured Loans as on 31/03/2019 include ₹ 3.30 crores (P.Y. ₹ 3.35 crores) received from directors, which have not been given out of funds acquired by them by borrowing or accepting loans or deposits from others, as per the declarations received from the concerned directors.

(ii) No shares have been issued with differential rights as to dividend, voting or otherwise.

(iii) There is no significant and material order passed by any regulator, court, tribunal which may impact the going concern status of the Company and Company's operations in future.

(iv) There is no change in the nature of company's business during the year under review.

(v) There was no instance of fraud during the year under reference, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made thereunder.

DIRECTORS' REPORT

(vi) The Board has constituted an Internal Committee for redressal of grievance / complaint (if any) under "Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013." The committee has not received any complaint during the year under reference.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities conducted during the financial year 2018-19 is annexed herewith marked as 'Annexure D' to this report.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. The salaries/ remuneration of the directors and KMPs have been fixed after due consideration by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. However, the transactions with subsidiary Companies are incurred after due appraisal and approval at an appropriate levels, which are in the ordinary course of business and are at arm's length price, in terms of IND AS-24 and given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company appears on the Company's website at the link: http://sukhjitgroup.com/Policy_dealing.html.

20. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given and Investments made are provided in the standalone financial statements. The Company has given/provided some Guarantees / Securities to the Govt. / other Departments in the ordinary course of business. A corporate guarantee for Rs. 40 crores to Yes Bank Ltd. has been given against the Term Loan for setting up the Mega Food Park by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. and there is no third party Guarantee / security given / provided by the Company.

21. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return of the Company is annexed herewith as 'Annexure E' to this report. A copy of the same has also been placed on Company's website at the link http://sukhjitgroup.com/extract of annual return.html.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The necessary detail is annexed herewith as 'Annexure F' to this report.

23. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

M/s VSAP & Associates, Chartered Accountants, the retiring Auditors of the Company have confirmed their eligibility to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Board of Directors recommend the re-appointment of M/s VSAP & Associates, Chartered Accountants as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

DIRECTORS' REPORT

The Auditors' report does not have any qualification, reservation, adverse remark disclaimer made by the statutory auditors.

Cost Auditors :

The Board of Directors recommends the re-appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2019-20, subject to the approval of the Central Government. The Cost Audit Report for the financial year ended 31st March 2019 is due to be filed with the Ministry of Corporate affairs on or before the September, 2019 and the cost audit report for the financial year ended 31/03/2018 was duly filled on 28/09/2018.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit report for the financial year ended March 31, 2019 is annexed herewith marked as 'Annexure G' to this report. The Board of Directors have re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2019-20. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

24. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the bankers, govt., authorities, customers, members and other business associates. They place on record their deep sense of appreciation for the committed services of the executives, staff and workers of the Company for its success.

Yours truly,
For and on behalf of the Board,

Sd/-	Sd/-
V.P. KAPAHI	**K.K. SARDANA**
Chairman	Managing Director

Dated : 25th May, 2019

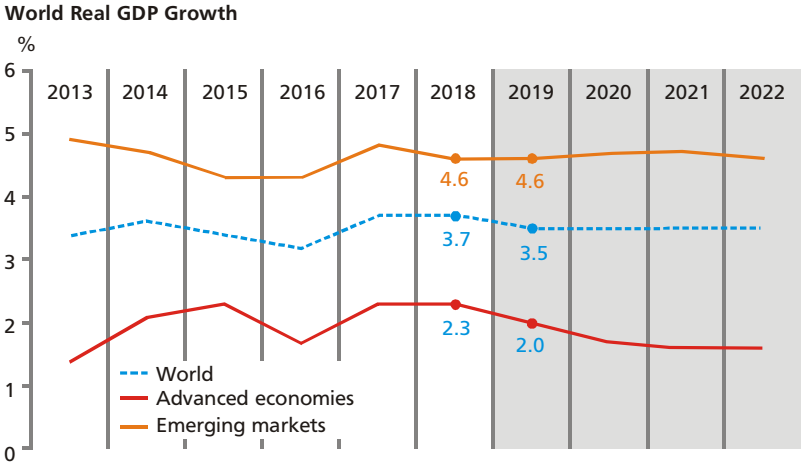
ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global Outlook

The world economic outlook projects a decline in growth in 2019 for 70 percent of the global economy. Global economic growth, which peaked to close at 4 percent in 2017, softened to 3.6 percent in 2018, and is projected to decline further to 3.3 percent in 2019. The decline in growth relative to 2018 reflects lower growth in China and the recession in Turkey, with an important carryover from weaker activity in the late 2018, as well as a deepening contraction in Iran.

While 2019 started out on a weak footing, a pickup is expected in the second half. This pickup is supported by significant policy accommodation by major economies, made possible by the absence of inflationary pressures despite closing output gaps.



Source : Euromonitor International Macro Model
Note : Growth rates are based on 58 world's major economies covered by Euromonitor International Macro Model

With improvements expected in H2 of 2019, global economic growth in 2020 is projected to return to 3.6 percent. Beyond 2020 growth will stabilize at around 3.5 percent, bolstered mainly by growth in China and India and their increasing weights in world income. Growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Growth in emerging market and in the developing economies will stabilize at around 5 percent; though with a considerable variance between countries as subdued commodity prices and civil strife weaken prospects for some.

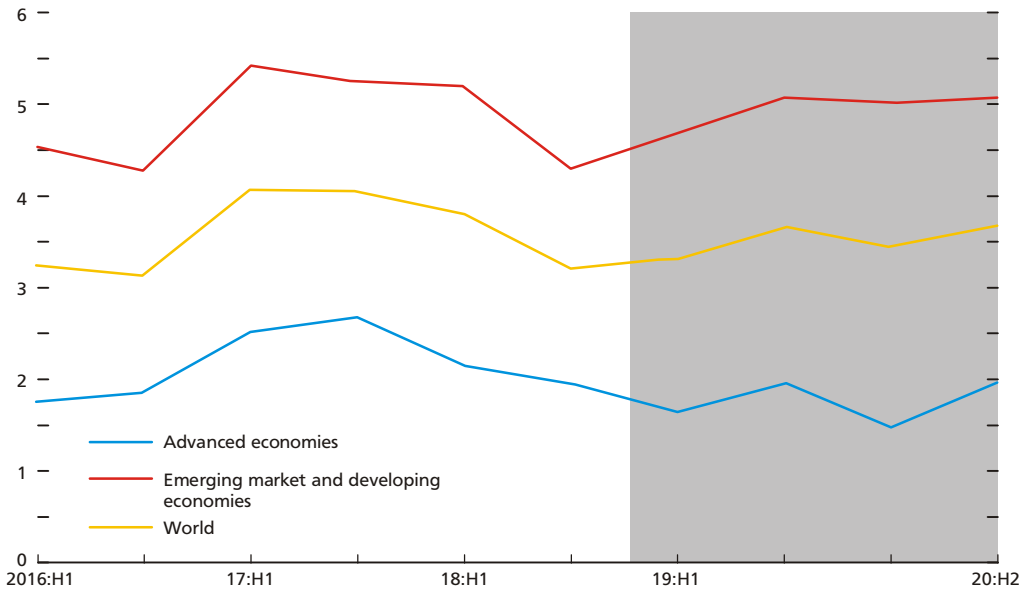
ANNEXURE 'A' TO THE DIRECTORS' REPORT

Across all economies, the imperative is to take actions that boost potential output, improve inclusiveness, and strengthen resilience. Consumer and industrial activity in both the US and China slowed in April, even before the world's two biggest economies entered the latest phase of an escalating trade war that could take a bite out of global growth.

The Trump administration's decision to increase tariffs from 10 to 25 percent on $200 billion worth of Chinese goods could not have come at a worse time for corn farmers. After this announcement, corn farmers are watching commodity prices decline amid ongoing tariff threats, even while many can't get to spring planting because of wet weather. Trade disputes and tariffs, devastating weather conditions, stagnant farm incomes, crumbling infrastructures and EPA waivers to oil refiners have all combined to create a perfect storm for agriculture.

Figure 1. Half Yearly Growth Rates
(Annualized semiannual percent change)

Global growth to level off in the first half of 2019 and firm up after that.



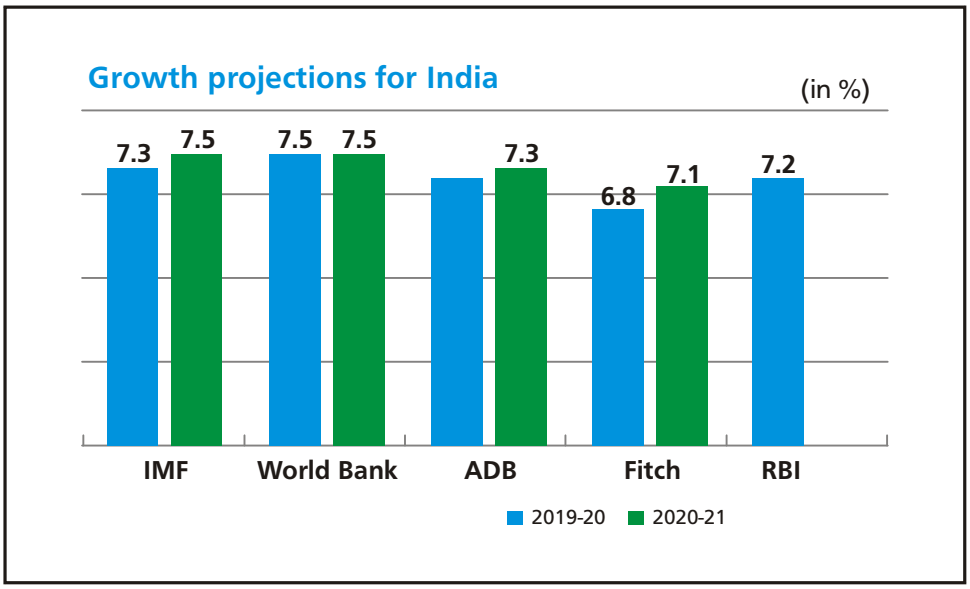
Source : IMF staff estimates.

Indian Outlook

In India, growth is projected to pick up to 7.3 percent in 2019 and 7.5 percent in 2020, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Nevertheless, reflecting the recent revision to the national account numbers that indicated somewhat softer underlying momentum, growth forecasts have been revised downwards by 0.1 percentage point for 2019 and 0.2 percentage point for 2020, respectively.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Our labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by Assocham and Thought Arbitrage Research Institute.



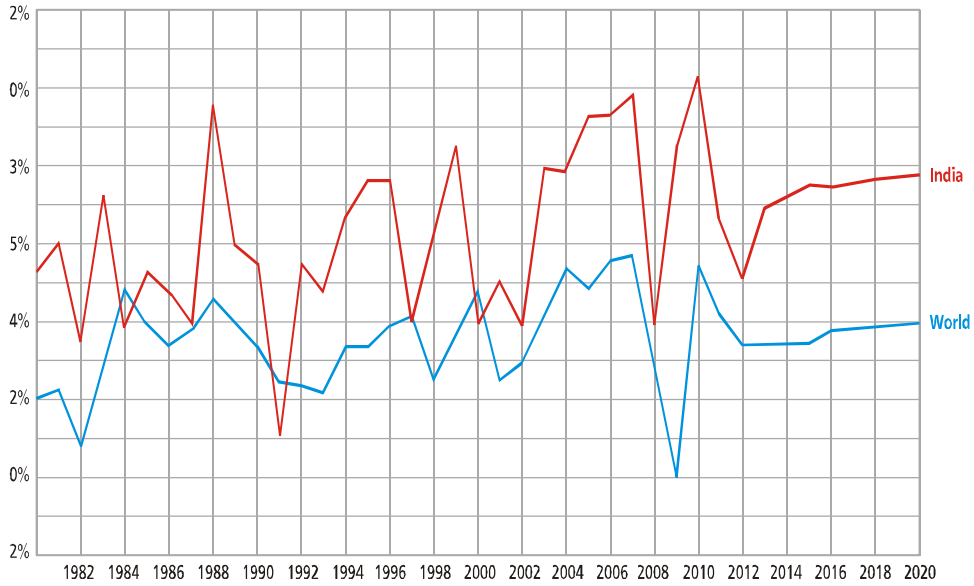
Our foreign exchange reserves were USD 405.64 billion in the week to March 15, 2019, according to the RBI data. Our GDP is expected to reach USD 6 trillion by FY27 and achieve upper-middle income status on the back of digitization, globalisation, favorable demographics, and reforms. The country's revenue receipts are estimated to touch Rs. 28-30 trillion (USD 385- 412 billion) by 2019 end, owing to government measures to strengthen infrastructure and reforms like GST.

India is expected to be the third largest consumer economy as its consumption may reach to USD 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to BCG; and is estimated to surpass the US to become the second largest economy in terms of PPP by 2040, according to PwC.

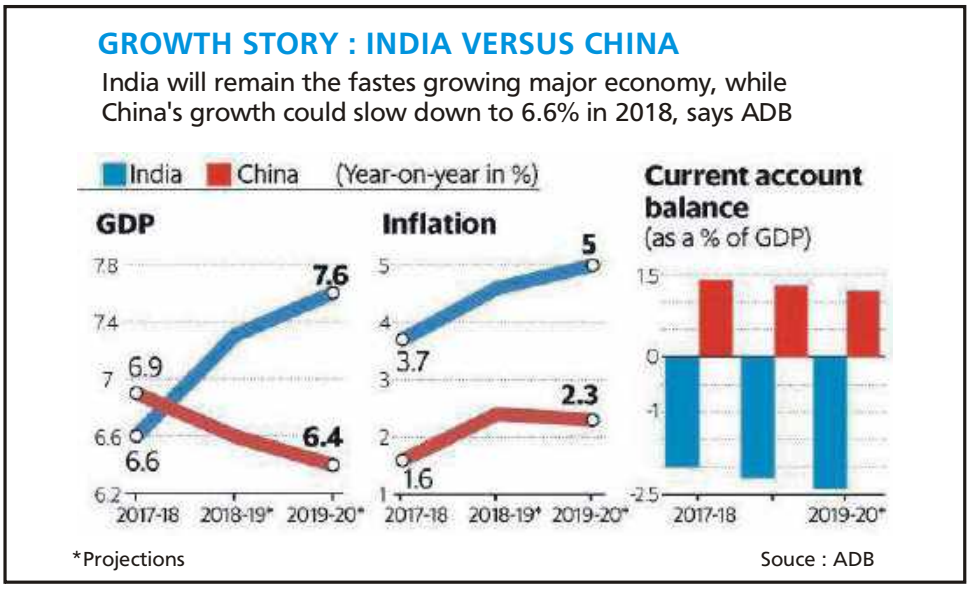
Macro reforms like GST, bankruptcy code, and setting up of inflation targeting framework are very important ones. We have seen an improvement in ease of doing business. Those are all good measures taken by the government.

IMF has pared India's growth forecast for the just-concluded fiscal and the next two years, citing softer recent growth and weaker global outlook, but expects the country to retain its place as the fastest growing major economy. According to IMF estimates, India's economy grew 7.1% in FY19 and is expected to accelerate to 7.3% growth this fiscal and to 7.5% in FY21. All the estimates are 0.2 percentage points less than its previous assessment in January.

ANNEXURE 'A' TO THE DIRECTORS' REPORT



Our agriculture is evolving quickly and our determined pursuit over the past few years to create a strong agricultural foundation to help farmers improve their livelihood is making good progress. The government has been steadfastly pursuing its vision of making farmers the central focus in all activities.



Starch Industry

India's agriculture is at the edge of a potential revolution, one that can take care of the needs of an ever-prospering nation. Corn starch is a carbohydrate extracted from the endosperm of corns and is used for many culinary, household, and industrial purposes. In the kitchen, corn starch is mostly used as a thickening agent for sauces, gravies, glazes, soups, casseroles, pies, and other desserts.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Currently, around 80% of global corn starch is concentrated in the US States and China, with the US being the largest producer of corn starch. In recent years, affected by the slowing demand, corn starch prices have gone down. Meanwhile, due to lack of downstream market, there was no major breakthrough, leading to some producers in recent years, capacity utilization declined.

In recent years, China has been seeing its corn starch output declining, mainly because of excess capacity and most Chinese companies are operating at 60% capacity now, some small and medium enterprises operating rate less than 50%.

Similarly, affected by raw material prices, Chinese corn starch has no obvious advantage with no competitive access in foreign markets.

Over the next five years, the corn starch market is poised to clip at 4.6% annually in revenue, taking global market to USD 29.20 billion by 2024, up from USD 22.30 billion in 2019.

END USER INDUSTRY GROWTH PROJECTIONS

5 year Annual Long Term Growth Projections	
Food	10% - 12%
Beverage	5% - 9%
Pharma	6% - 8%
Paper & Corrugating	3% - 5%
All Other	5% - 7%

Maize

Maize is cultivated widely across the world and has the highest production among all cereals. It is considered one of the fastest growing cash crops in the world, becoming the largest component of global coarse grain trade. Maize is the preferred staple food for the 900 million poor, 120-140 million poor farmer families, and about one-third of all malnourished children globally. With changing global food demand and consumer choices, maize is becoming the wonder crop for many countries especially in developing countries like ours.

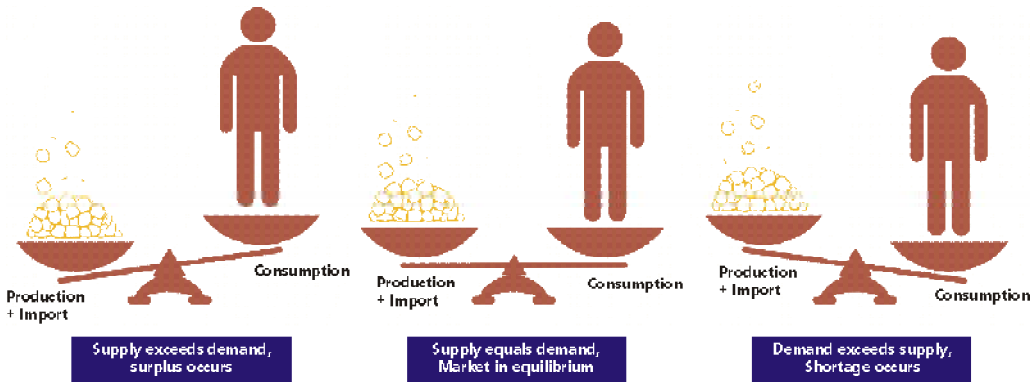
Maize is the third most important food grain after wheat and rice for Indians. Over half of the country's maize production comes from four states - MP, Bihar, Karnataka and Maharashtra. In spite of the many health benefits offered by maize as a source of high fiber, antioxidants and other vitamins and minerals, major portion of maize is still not being used for human consumption but goes as poultry and animal feed. Availability of value-added maize products on industrial level will ensure better nutritional and livelihood security. Commercialization, promotion, and adoption of maize-based food products will not only ensure higher return to farmers but also generate employment on one hand and improved dietary diversity in food choices to the consumers on the other.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

India is most likely to import coarse corn this year due to a lower production and is likely to import around 1 million tonne, according market sources. India will be importing coarse corn from Ukraine and countries from Southern Africa.

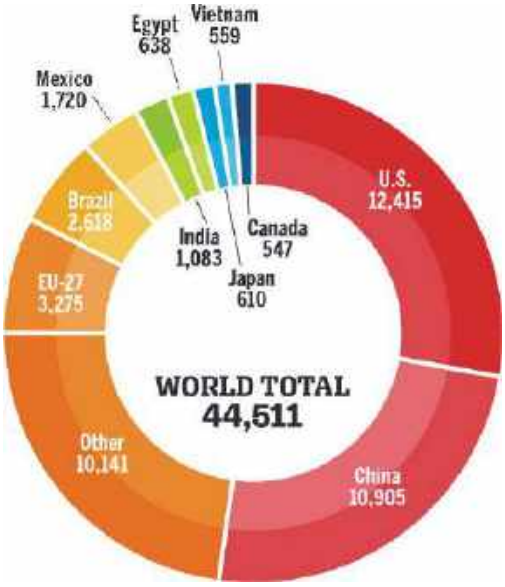
Demand and supply in Maize largely depends upon sowing and harvesting season. Strong demand rises during January to March, whereas strong supply occurs twice: March to May for Winter Maize and September to December for Kharif Maize. Moreover, the crop duration ranges between 90 to 150 days, varies from state to state and variety to variety. Interestingly, it has been observed that poultry farms and feed millers hold stocks for a period ranging from one to two months, depending on their mill capacities, financial strength, and receivables cycle. Usually, they purchase and stock maize during the peak arrival season at low prices. This stock is maintained to tide over the peak price months, and buying for regular requirement continues in parallel.

Starch manufacturers store it for longer durations, sometimes as long as three to four months. To some extent, the role of traditional stockist has been taken over by the trading companies, which normally enter into forward trade agreement with the consumers (say, a poultry farm), purchase and store grains during the peak arrival season. These holding pattern, coupled with sowing and harvesting seasonality are majorly impacting the supply demand equation of maize.



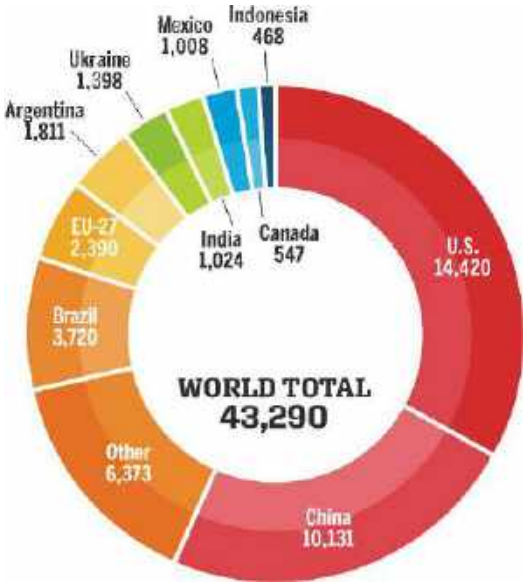
ANNEXURE 'A' TO THE DIRECTORS' REPORT

WORLD CORN PRODUCTION & CONSUMPTION



World Corn Consumption
2018-2019

(million bushels)



World Corn Production
2018-2019

(million bushels)

Source : USDA, FAS Grain : World Markets and Trade, Feb. 2019

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Opportunities

Our 75 years experience is our strength. We are happy that we are associated with the agri sector which is the main means of income for 57% of the rural Indians, Agri sector contributes a fifth of the country's gross value added (GVA).

As reported in the media, especially during the elections, small farmers in some states are not able to get the best price for their produce. Recently, our farmers have been continuously improving their output with hybrid seeds and new technologies. Everybody has observed that government is trying to ensure that farmers' interests are protected through MSP and timely import bans.

But in the past about 15 months, the industry has bought maize at much higher price than MSP. Especially this year, we are expecting to pay more than 15 - 25% more than the MSP. This particular event will have three effects. Some of our competitors will import maize at reasonable prices. Smaller players in the industry will be requiring sufficient cash flow to sustain. Every next big player will invest in R&D for high value products.

Like any other sector of the economy, only happy and rewarded employees will be productive employees. After making handsome profit from the starch and animal feed this year, farmers will invest more money in new technologies and hybrid seeds to grow more maize. In the next two years, we expect 30% more farmers will grow maize or will switch from other crops to maize. Since the industry is in expansion mode, there will be huge demand for maize over the next three years.

In comparison to rice, maize needs much lesser water and our literacy team is working hard on this front. An efficient foodgrain supply and cold storage facilities will ensure that none of the farmers output get wasted in going forward.

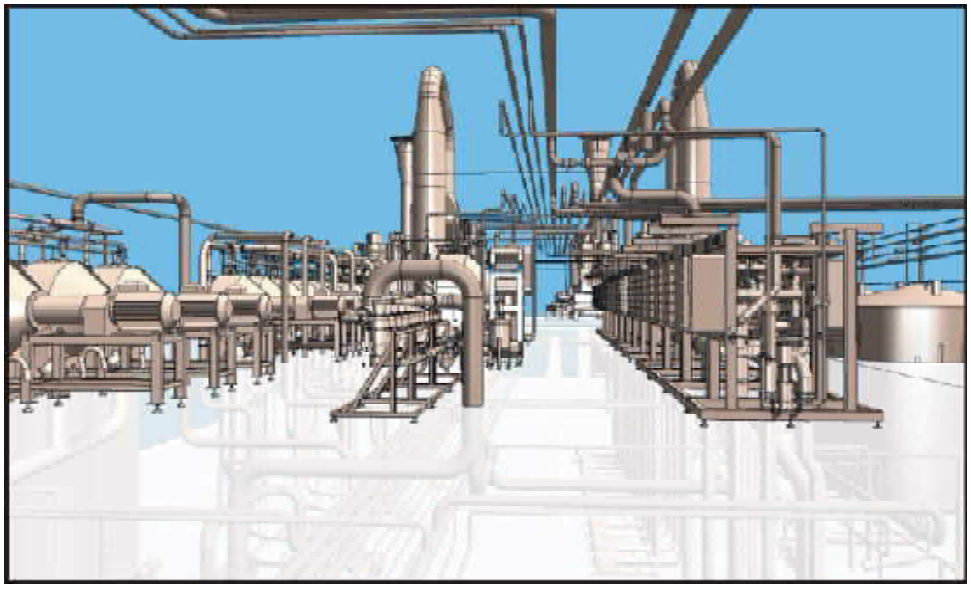
The US food giant Monsanto spends $1.7 billion annually on R&D globally which is much higher than $1 billion budget for Indian Council for Agricultural Research.

Agriculture forms a fifth of our GDP and has got the potential to double this, provided the government brings out meaningful solutions with long term growth strategies and policy framework. Despite smaller average landholding (0.66 hectares in comparison to India's average of 1.15 hectares), China produces twice the amount of cereals and about four times fruits and vegetables than us. The biggest challenge for our farmers is the lack of access to technology despite interest subventions from banks/government. Hybrid crop verities that adapt to low rainfalls and poor soil yet offering farmers up to 50 percent more are something not known to our farmers.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

We aim to deliver our ingredients to customers on time, in full and to the right specification, despite the complexities in delivering like ensuring the delivery of multiple ingredients etc.

Safety, quality, traceability and environmental impact are high priorities in our raw material sourcing and production processes at Sukhjit.



We are investing more than ₹ 275 crore in the prestigious project of a Mega Food Park and a new Maize Processing Unit having maize grind capacity of 600TPD with latest automated production line. Spread over 55 acres, the new facility will unleash new marketing opportunities, giving us distinct competitive advantages. Hopefully, the plant will be fully operational by Q3 FY 20.

Our operational excellence initiatives have delivered significant savings & efficiencies and we continue to grow strategically by expanding into new geographies and increasing our capabilities, meticulously catering to the specifications of our customers in food, beverages and feeds. These actions contributed to the improved results we saw in the fourth quarter despite muted margins in some businesses. We are also beginning to see the benefits of our aggressive actions to improve our performance and continue to expect that results will improve as we move through the year.

As we were achieving record results, we were also strengthening our organizational capacity for change and building out the long-term value of our company. Even as strong demand for crops and commodities challenge the supply chain, we continue to capture value for our shareholders.

Our vision is to build on our history of excellence to create a company that continues to evolve with the NATURE and grow adapting to a changing world and to changing customer preferences.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

We are reaching out to more farmers and providing them necessary support for a successful harvest. We also work with several NGOs to focus on holistic development of farmers and rural communities.

As demand for healthier, tastier food with a better nutritional balance continues to grow, we have the potential and opportunity to deliver more benefits not only for our shareholders but also for the society at large, including our customers, consumers, the communities in which we operate, and our employees. Programs are underway to sharpen customer focus, accelerate portfolio development and drive productivity.

During the last 30 years, we have deployed our unique combination of acumen and assets against an exceptional set of opportunities and challenges for delivering reasonable financial results. We are consistently improving operational efficiencies, minimizing consumption of natural resources, water and energy etc. while maximizing production volumes. We plan to adopt new technology and R & D for starch and starch derivative especially in food/nutrition, selected health and few industrial applications like paper and packaging etc.

While we are committed to meeting our financial goals each quarter, we will remain focused on executing our longer-term strategies, which include expanding volumes and diversity of products, expanding our marketing reach and expanding our value-added product portfolio. We want to execute this vision and these strategies by conducting our business in accordance with our core values of integrity, treating others with respect, achieving excellence, being resourceful, displaying teamwork and being responsible.

"In a competitive industry, the only paranoid incumbents - those constantly striving for betterment - have any hope of surviving."

- Raghuram Rajan

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Threats

Your Company has threats from any substantial change of government policy that have direct or indirect effect on our business, investments by new players and MNCs to build bigger capacities and technology advancements etc., where we try to minimize the threat by continuously evolving and advancing our technology to latest to improve efficiency in the work operations and continue expanding at our existing locations.

Human Resources

Human Capital has always been the most important and valuable assets to us, as the Company believes in continuously investing in its Human Capital. The Company takes pride in commitment, competence and dedication shown by its employees at all levels. Various HR initiatives are taken to align HR policies to the growing requirements of the business. The Company has strengthened the deployment of high quality employees in key functions, through continuous inhouse training and development programmes. The Company firmly believes that in house human capital will see organization through success in today's highly competitive global environment. Industrial relations were cordial throughout the year and would likely to continue so in future also.

Internal Control Systems and Adequacy

The Company has an internal control system, which ensures that all transactions are recorded satisfactorily and reported and that all assets are protected against loss from unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system carried out by a team under the direct supervision of the Head of Internal Audit. The findings of such internal audits are periodically reviewed by the management and suitable actions taken to address the gaps, if any. The Audit Committee of the Board meets at regular intervals and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance, information technology, risk analysis and risk management are inter-woven to provide a meaningful support to the management of the business.

Corporate Social Responsibility (CSR)

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects, as and when required, that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Risk Factors

Government policies, mandates, and regulations specifically affecting the agricultural sector and related industries; regulatory policies or matters that affect a variety of businesses; and political instability could adversely affect the Company's operating results.

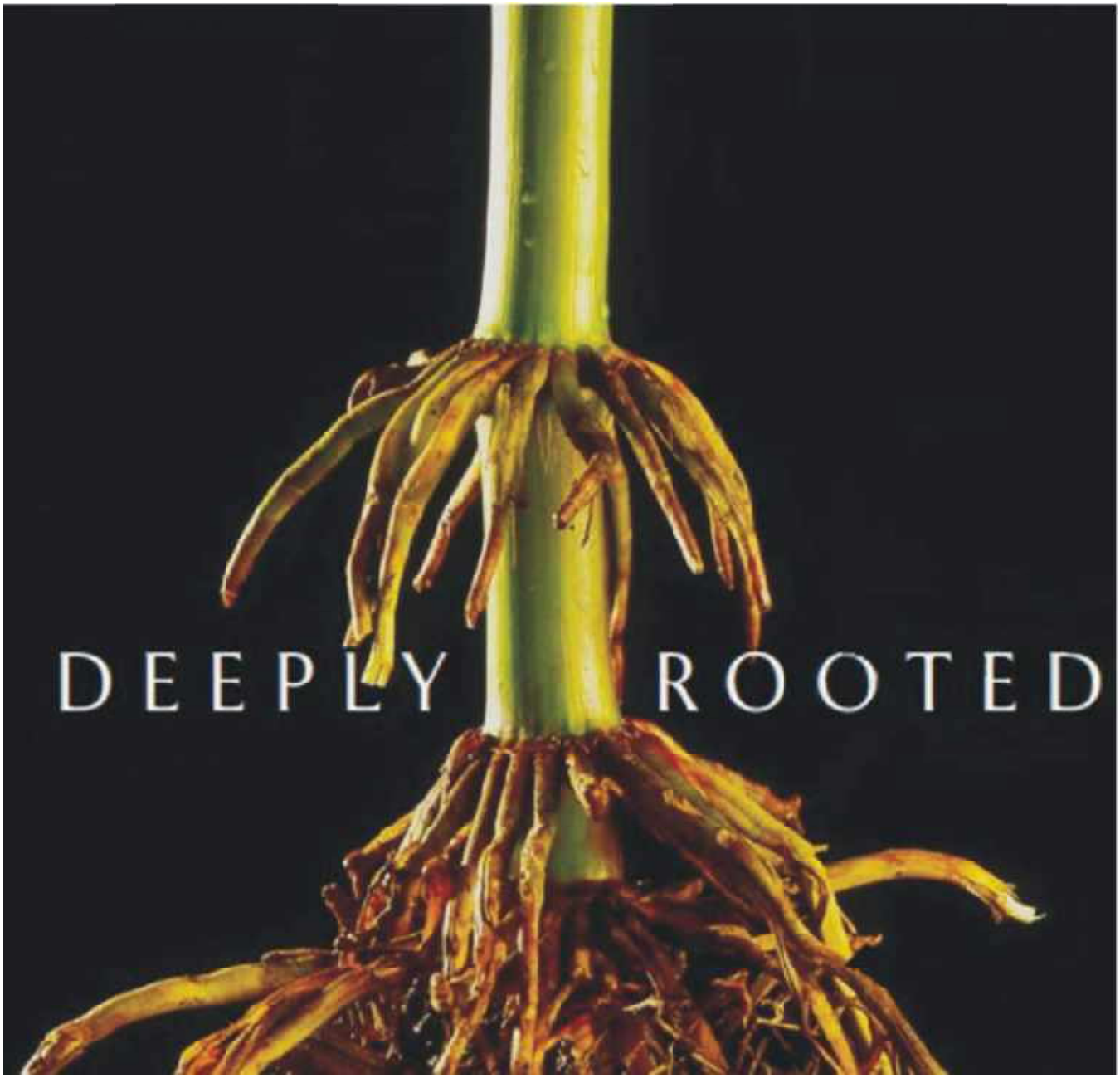
Agricultural production and trade flows are subject to government policies, mandates, and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import / export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, product safety and labeling, renewable fuels, and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, the availability and competitiveness of feed stocks as raw materials, the viability and volume of production of certain of the Company' s products and industry profitability.

The Company's operating results could be affected by changes in other governmental policies, mandates, and regulations including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, enforceability of legal agreements and judgments.

The Company's strategy involves expanding the volume and diversity of products it merchandises and processes, expanding the global reach of its core model, and expanding its value-added product portfolio. Government policies, including anti-trust and competition law, trade restrictions, food safety regulations, and other government regulations and mandates, can impact the Company's ability to execute this strategy successfully.

Cautionary Statement

The Management discussion and analysis report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the government policies etc. The Company cannot guarantee the accuracy of assumptions and performance of the Company in future. Therefore, the actual results, performance or achievements could thus differ materially from those projected in any such forward looking statement. The Company assumes no responsibility to publically amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or event.



The Sukhjit Starch & Chemicals Limited

ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY :

The Company believes in adopting the 'best practices' in the area of Corporate Governance, which provide a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, various governing laws and accepted best business practices. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The company has always remained prompt and regular in discharging its statutory obligations and duties. The Company is also having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

An effective Board is a pre-requisite for strong and effective corporate governance. The Board of Directors of your company is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of its stakeholders. For this, the Board has constituted various committees of Directors and the meetings of the Board and Committees thereof have been held as frequently as required for proper and effective control over the affairs, of the company.

2. BOARD OF DIRECTORS :

The Composition of the Board and category of Directors as on March 31, 2019 are given hereunder :

Category	Name of Directors	No. of Shares held
Promoter/Executive Directors	Shri I.K. Sardana (Managing Director)	1166466
	Shri K.K. Sardana (Jt. Managing Director)	1288900
	Shri M.G. Sharma (Executive Director (Fin) & CFO)	120
Non-Executive Promoter Directors	Smt. Ravi Chowdhry (Women Director)	584362
	Shri V.K. Sardana	64184
	Shri Naresh Sardana	171792
Independent Directors	Shri S.C. Jindal (Independent Chairman)	70440
	Shri S. K. Anand	2004
	Shri V. P. Kapahi	2000

Note : Sh I.K. Sardana and Sh K.K. Sardana are related to each other as brothers & Smt. Ravi Chowdhry is their sister.

During the Financial Year 2018-19, eight Board meetings were held on 25/04/18, 30/05/18, 02/07/18, 08/08/18, 31/10/18, 23/01/19, 06/02/19 and 30/03/19.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Familiarisation Programme for Independent Directors :-

The Independent Directors are provided with necessary documents, reports and other relevant information to enable them to familiarise with the Company's procedures and practices. The Independent Directors are provided with unit wise information, to enable them to have full understanding of manufacturing operations & business of the Company and the industry in which it operates. Periodic presentations are made at the Board meetings on business and performance updates of the Company, business strategy and risks involved. Details of the familiarization programme for the Independent Directors are available on the website of the Company-http://sukhjitgroup.com/familarisation_programme.html

The composition of the Board of Directors and their attendance at the meetings during the year are given below :

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies	Whether attended last AGM
Shri S.C. Jindal	Independent Chairman	3	–	–	Y
Shri I.K. Sardana	Managing Director	8	3	3	Y
Shri K.K. Sardana	Jt. Managing Director	8	2	–	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	8	1	2	Y
Shri V.K. Sardana	Non Executive Director	4	1	–	N
Shri Naresh Sardana	Non Executive Director	2	–	–	Y
Smt. Ravi Chowdhry	Women Director	2	-	–	N
Shri S.K. Anand	Independent Director	5	–	–	N
Shri V.P. Kapahi	Independent Director	5	–	–	Y

3. COMMITTEES OF THE BOARD

The Board of Directors have constituted the following Committees with an adequate delegation of powers :

(i) Audit Committee :

The role of Audit Committee covers the areas mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 or other matters as may be referred by the Board of Directors from time to time. These, inter-alia, include to oversee the capital & revenue budget of the Company, oversee the Company's financial reporting process, review with the management the adequacy of internal control system, hold discussions with auditors about the internal control system and scope of audit including observations of the Auditors, review company's financial & risk management policies and review with the management the quarterly, half yearly & annual financial statements before submission to the Board.

The composition of the Audit Committee is given below :

Shri V.P. Kapahi	Independent Director (as Chairman)
Shri S.K. Anand	Independent Director (as member)
Shri S.C. Jindal	Independent Director (as member)
Shri K.K. Sardana	Jt. Managing Director (as member)

ANNEXURE 'B' TO THE DIRECTORS' REPORT

The details of meetings of Audit Committee held during the year are given below :

		Meetings held during the year	Meetings attended
Shri V.P. Kapahi	Independent Director	04	03
Shri S.K. Anand	Independent Director	04	03
Shri S.C. Jindal	Independent Director	04	03
Shri K.K. Sardana	Jt. Managing Director	04	04

(ii) Corporate Social Responsibility (CSR) Committee :

The CSR Committee has been constituted in consonance with section 135 of The Companies Act, 2013, Schedule VII thereto and the rules made thereunder. The Composition of CSR Committee comprises of Shri K. K. Sardana as its chairman, Shri S. C. Jindal and Shri V. P. Kapahi as members. The Committee has been formed to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the CSR Policy of the Company and recommending / budgeting the amount of expenditure to be incurred on CSR activities with due control over the expenditure to meet the intended objectives. The Committee also approves the Corporate Sustainability report and oversee the CSR activities.

(iii) Stake Holders' Relationship/Grievance Committee :

The Stake Holders' relationship /grievance committee comprises of Shri S.C. Jindal as Chairman, Shri K.K. Sardana & Shri S. K. Anand as members. The Committee has been formed to take care of stake-holders / investors relationship, redress the Investors Grievances or their complaints (if any) expeditiously.

Shri Aman Setia, Vice President (Finance) & Company Secretary is the Compliance officer for complying with the requirements of SEBI, Stock Exchanges, Registrar of Companies, etc. with respect to implementation of various clauses, rules, regulations and other directives of such authorities.

The Company has received eighteen complaints during the year, from its shareholders, which were immediately redressed.

(iv) Nomination & Remuneration Committee :

The Board has constituted a Nomination & Remuneration Committee comprising of Shri S. K. Anand as the Chairman, Shri S. C. Jindal and Shri V. P. Kapahi as the members. The role of the Committee covers the areas mentioned under section 178 of the Companies Act, 2013.

The details of meetings held by Nomination & Remuneration Committee are given below:-

		Meetings held during the year	Meetings attended
Shri S.C. Jindal	Independent Chairman	03	03
Shri S.K. Anand	Independent Director	03	02
Shri V.P. Kapahi	Independent Director	03	02

Detail of remuneration of Executive Directors during the financial year is given below:-

(Amount in ₹ Lacs)

Name	Salary	Commission	Perquisite Value	Retirement Benefits	Sitting Fees	Total
Sh. I.K. Sardana	81.79	32.52	26.49	6.58	–	147.38
Sh. K.K. Sardana	80.67	32.52	11.73	6.49	–	131.41
Sh. M.G. Sharma	44.76	–	1.44	2.42	–	48.62

ANNEXURE 'B' TO THE DIRECTORS' REPORT

The company has been paying commission to the Non Executive Directors @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 as per the necessary approvals / sanctions obtained by way of a special resolution in the Annual General Meeting. Non Executive Directors are also paid Sitting Fee @ ₹ 9,000/- per meeting besides out of pocket expenses / traveling expenses incurred in connection with attending the said meetings. The Company does not have any Stock Option Scheme nor it has paid any amount to its directors on account of service contracts, notice period and severance fees.

Remuneration Policy :

The remuneration policy is aimed to motivate and reward the performance on the basis of periodical appraisal of achievements of the personnel. It follows the practices prevailing in the companies of its size and the industry in general to retain and attract talent and improve the quality of performance with a view to run the Company's operations efficiently, effectively and profitably.

4. GENERAL BODY MEETINGS

The details of locations and time for the last three Annual General Meetings are given below :

Date	Location	Time	Special Resolutions passed
08/08/2018	Regd. Office, Phagwara	10.00 A.M.	1. Reappointment of Shri I.K. Sardana as the Managing Director of the Co. for five years. 2. To ratify Remuneration of Cost Auditors.
27/07/2017	Regd. Office, Phagwara	10.00 A.M.	1. Reappointment of Shri S.C. Jindal, Sh. Shiv Kumar Anand & Sh. V.P. Kapahi as Non Executive Independent Directors. 2. Appointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 3. To ratify Remuneration of Cost Auditors.
27/07/2016	Regd. Office, Phagwara	10.00 A.M.	No Special Resolution was considered/passed in AGM.

Further, an Extra Ordinary General Meeting (EGM) of the shareholders of the company was conducted on March 13, 2019 at Registered office at Phagwara at 10.00 am to increase the authorised share capital of the company and issue of Bonus Share in the ratio 1:1.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 8th August, 2019.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

The Board had appointed Mr. Parminder Singh Rally, a Practicing Company Secretary, Membership No. 6861, as the Scrutinizer for conducting & Scrutinizing the e-voting process in a fair & transparent manner, as per the procedure laid down under the Companies Act, 2013 read with rules made there under.

5. DISCLOSURES

(i) Disclosures on materially significant related party transactions :

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. However, the transactions with subsidiary companies are in the ordinary course of business and are at arm's length price, in terms of IND AS-24 and given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report.

(ii) The Company has duly complied with the guidelines of SEBI, Stock Exchange and / or other Statutory Authorities related to capital market, hence there is no penalty / stricture etc. imposed by any of the above Authorities during the last three years.

(iii) Whistle Blower Policy : Your Company believes in fair & transparent conduct of its affairs and sets high standards following good and ethical Corporate Governance practices. Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The Company has formulated its Whistle blower Policy to establish a vigil mechanism for Directors and employees to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance. This policy intends to act as a neutral and unbiased forum for the Directors, employees and its stakeholders.

During the year under review, no employee was denied access to the Audit Committee.

(iv) The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended upto date).

6. MEANS OF COMMUNICATION :

The Company's Quarterly results are published in the daily news papers as per the requirement of listing agreement and are also displayed on the website of the company **(www.sukhjitgroup.com)**. Quarterly compliance reports, official news releases, demat Status reports, shareholding pattern & other required information are duly communicated / submitted to the Stock Exchange within the prescribed time. The presentation(s) for Investors have been placed both on the BSE's website **(www.bseindia.com)** and the Company's website **(www.sukhjitgroup.com)**. The Company has also hosted concalls with Institutional / other investors & financial analysts etc.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

7. GENERAL SHAREHOLDERS INFORMATION

(a)	Annual General Meeting Date, Time & Place	:	8th August, 2019 at 10.00 A.M. at the Registered Office of the Company at Phagwara.
(b)	Financial Year	:	2018–2019
(c)	Date of Book Closure	:	3rd August, 2019 to 8th August, 2019
(d)	Listing on Stock Exchange	:	Bombay Stock Exchange
(e)	Stock Code	:	524542 (Listing fee as applicable has been paid)
(f)	CIN	:	L15321 PB1944 PLC 001925
(g)	Registrars & Share Transfer Agents	:	The Share Transfers are done by M/s. Skyline Financial Services (Pvt.) Ltd., D-153 A, Ist Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020 Phone No. (011) 26812682 E-mail ID : admin@skylinerta.com
(h)	Dematerialization of Shares	:	The Company's Equity Shares are held in dematerialized form on NSDL & CDSL. 1,39,30,030 shares i.e. 94.38% of equity capital have been dematerialized as on 31.03.19 which include 93,46,362 shares held by promoters' (100% in Demat form) and 45,83,668 shares held by public (84.67% held in Demat form).
(i)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data and likely impact on equity.	:	The company has not issued any GDRs/ADRs/ warrants or any convertible instruments.

ANNEXURE 'B' TO THE DIRECTORS' REPORT

(j) Unclaimed Shares Demat Suspense Account : In terms of Clause 5A of the Listing Aggrement, the Company reports as under :

	No. of Share Holders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on the date of opening of the suspense account	501	64,167
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	01	45
Number of shareholders to whom shares were transferred from the suspense account during the year	01	45
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2019	500	64,122

The voting rights on the shares outstanding in the suspense account as on 31st March, 2019 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

(k) Address for Correspondence/ Registered Office : The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara, Distt. Kapurthala (Pb.)
Ph. : (01824) 468800, 260216, 260314
Fax : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com

(l) Distribution of Shareholding as on 31.3.2019 :

	Category	No. of Shares	Percentage
1.	Promoters (including 9,12,890 shares of NRI's)	93,46,362	63.32%
2.	Corporate Bodies	2,67,288	1.81%
3.	NRIs/FFIs/OCBs	2,35,804	1.60%
4.	General Public	49,10,186	33.27%
	Total No. of shares	1,47,59,640	100.00%

(m) Share Transfer System :

94.38% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with our RTA or at the registered office of the company. Transfer of shares in physical form is normally processed within ten to twelve working days from the date of receipt, if the documents are complete in all respects. The Share transfer committee,

ANNEXURE 'B' TO THE DIRECTORS' REPORT

under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

(n) Commodity price risk or foreign exchange risk and hedging activities if any have been discussed under "Management Discussion and Analysis Report" forming part of the Directors' Report.

(o) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2018-2019 & performance in comparison to BSE Index :

	BSE INDEX		MARKET PRICE (₹)	
Month	**High**	**Low**	**High**	**Low**
April, 2018	35213.30	32972.56	569.90	480.05
May, 2018	35993.53	34302.89	570.00	472.25
June, 2018	35877.41	34784.68	495.00	430.30
July, 2018	37644.59	35106.57	495.00	430.00
Aug., 2018	38989.65	37128.99	480.00	433.20
Sept., 2018	38934.35	35985.63	470.05	404.50
Oct., 2018	36616.64	33291.58	455.45	389.50
Nov., 2018	36389.22	34303.38	451.50	402.00
Dec., 2018	36554.99	34426.29	455.00	411.10
Jan., 2019	36701.03	35375.51	529.40	440.00
Feb., 2019	37172.18	35287.16	540.00	471.00
March, 2019	38748.54	35926.94	579.70	*245.00

* Ex- Bonus Price (After 1:1 Bonus)

8. LOCATION OF PLANTS

(i) The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (PB.)
Phone No. (01824) 468800, 260314
Fax No. : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com

(ii) Sukhjit Corn Products
Inside Sukhjit Mega Food Park
Rehana Jattan, Teh. Phagwara (Pb.)
Phone No. (01824) 468800
Fax No. : (01824) 261669
Email : scp@sukhjitgroup.com

(iii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (Telangana)
Phone No. (08462) 237568, 237521
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com

(iv) Sukhjit Starch Industries
WBIIDC Growth Centre,
N.H. 34, Narayanpur, MALDA (W.B.)
Phone No. (03512) 263027, 263029, 263032
Fax No. (03512) 263026
E-mail : sukhjitmalda@gmail.com

(v) The Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. 9816649399
E-mail : sukhjitagro@gmail.com

ANNEXURE 'C' TO THE DIRECTORS' REPORT

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) & (ii)		**Remuneration of Director/KMP For financial year 2018-19**	**% increase in Remuneration in the Financial Year 2018-19**	**Ratio of remuneration of each Director/ to median remuneration of employees**
Sr. No.	**Name of Director/KMP and Designation**	**(Rs. In Lacs)**		
1.	I.K. Sardana (Managing Director)	147.38	18.97	90.55
2.	K.K. Sardana (Jt. Managing Director)	131.41	15.93	80.74
3.	S.C. Jindal (Chairman)	11.11	–	6.83
4.	V.K. Sardana (Non-Executive Director)	11.20	–	6.88
5.	S.K. Anand (Non-Executive Director)	11.29	–	6.94
6.	Naresh Sardana (Non-Executive Director)	11.02	–	6.77
7.	V.P. Kapahi (Non-Executive Director)	11.29	–	6.94
8.	Ravi Chowdhry (Non-Executive Women Director)	11.02	–	6.77
9.	M.G. Sharma (Executive Director (Fin.) & C.F.O.)	48.62	11.19	29.87
10.	Aman Setia (V.P. (Fin.) & Company Secretary)	30.58	9.43	N.A.

— The company has been paying commission @ 1% of the net profits to the Non Executive Directors along with Sitting fee @ ₹ 9,000/- per meeting.

(iii) The percentage increase in the median remuneration of employees had been 8.42% during the financial year.

(iv) There were 1167 permanent employees on the rolls of Company as on March 31, 2019.

(v) The average increase in remuneration of employees/ workers had been well in line with the Company's performance.

ANNEXURE 'C' TO THE DIRECTORS' REPORT

(vi) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 15.70% i.e. from ₹ 309.41 lacs to ₹ 357.99 lacs in the financial year 2018-19 as per revision in the salary of senior management personnel of the company.

(vii) (a) The market capitalization of the company as on March 31, 2019 was ₹ 378.22 crores as compared to ₹346.81 crores at the end of the preceding financial year.

(b) Price Earning Ratio of the company as on 31/03/2019 was 9.07 times as compared to 14.53 times as on 31/03/2018.

(c) Percentage increase in the market price of shares in comparison with the last public offer price (₹ 10 in year 1983-84) is 30650, taking into effect the bonus shares issued by the company from time to time.

(viii) Average percentage increase made in the salaries of employees/workers other than the managerial personnel in last financial year i.e. 2017-18 was 8.34% whereas the increase in the managerial remuneration was around 9.58% in accordance with increased operations of the company.

(ix) Total remuneration of the Key Managerial Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 15.70% as per general increments given to the other executives in overall.

(x) The key parameters for the variable component of remuneration availed by the directors: - The Commission is the only variable component of remuneration payable to the directors and since it being related to the profits of the Company, it clearly gets paid according to the profits of the Company.

(xi) There is no such employee who is not director of the company and received remuneration in excess of the highest paid director during the year.

(xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

PARTICULARS OF EMPLOYEES INFORMATION AS PER RULE 5 OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

S.No.	Name of Employer	Position Held	Gross Remmuneration	Educational Qualification	Experience	Date of Joining	Name of Previous Employer & Designation
1	Sh. Dhiraj Sardana	Sr. V.P & C.E.O (New Project)	6,209,962	BBA & Diploma in Marketing	22	01/05/2005	Scott Industries Ltd. - Vice President
2	Sh. Bhavdeep Sardana	Sr. V.P & C.E.O (H.P Unit)	6,023,800	B.Sc. (Hons.) Chemistry & MBA	22	01/01/2005	Scott Industries Ltd. - Vice President
3	Sh. Pankaj Sardana	Sr. V.P Operations (Nizamabad Unit)	5,907,423	BBE (Hons.) & M.Sc. (Hons.)	18	01/08/2012	Scott Industries Ltd. - Vice President
4	Sh. Puneet Sardana	Sr. V.P Operations (Malda Unit)	5,574,378	BA (Hons.)	19	01/08/2012	Scott Industries Ltd. - Vice President
5	Sh. S.D. Patel	Group Sr. V.P. & C.T.O.	5,461,226	BSE (Hons.)	57	01/01/2002	Santosh Starch Products Ltd. -Vice President
6	Sh. V.K. Suri	Group Sr. V.P. (A & P)	5,416,895	MA, LLB	57	06/01/1986	Indian Army -Major
7	Sh. Rakesh Chawla	V.P. (H.P. Unit)	4,203,760	C.A.	25	25/03/1997	Surya Knitwear Limited - Financial Controller
8	Sh. K. Sridhar	Sr. V.P. (Nizamabad Unit)	3,349,010	C.A.	39	05/08/1992	Karnataka Soaps & Detergents Ltd. - Sr. Accounts Officer
9	Sh. Aman Setia	V.P. (Finance) & Company Secretary	3,058,165	C.A., C.S., D.B.A.	18	01/04/2010	Scott Industries Ltd. - Finance Controller & Company Secretary
10	Sh. M.V. Ram Gopal	V.P. (Production)	3,006,802	BE (Chemical Technology)	30	20/12/1993	Laxmi Starch Ltd. - Process Engineer

ANNEXURE 'D' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES

Sukhjit is having a simple but clear purpose with regards to its CSR initiatives to make sustainable living common place. This purpose inspires Company's vision to accelerate growth in the business, while reducing its environmental footprint and increasing its positive social impact. Our CSR approach focuses on development of communities around the vicinity of the company. We believe that in the long-term, this is the best way for business to grow.

The Corporate Social Responsibility (CSR) policy of the company, as approved by the Board of Directors, is available on the company's website http://sukhjitgroup.com/csr_policy.html. Through its CSR policy, the company is continuously focusing on contributing to the social and economic development of the communities and making a positive difference to society by promoting education among weaker sections of society, by providing infrastructure support, initiatives for physically and mentally challenged people, promoting healthcare, ensuring environmental sustainability and other areas approved by the CSR Committee.

A brief overview of Company's CSR projects:

During the year under review, the Company has undertaken many initiatives in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013 including promotion of education in economically & educationally backward areas, contributions for improving availability of health care facilities to economically weaker sections of the society, supporting organizations engaged in promotion of education and initiatives for challenged people of the Society. The Company engage itself with credible institutions, NGO's and other foundations to leverage their expertise, networks and relationships in implementing the CSR initiatives. A brief overview of the CSR projects is as under:-

A. Promoting Education : The Company has promoted the establishment of various educational Institutions which, under its patronage have been running successfully, like:

- A Post Graduate College for women imparting quality education to over 2000 girl students with latest and 'state of the art' Infrastructural facilities at the lowest possible cost with all concessions to the needy and poor students. The College has been accredited 'A' by NAAC, selected 'Star College in Life Sciences' by DBT, New Delhi, Government of India and awarded the status of College with Potential for Excellence by U.G.C., New Delhi.
- Seven other educational institutions including one B.Ed. college for women and six higher secondary schools imparting quality education to over 5000 students with due concessions to all the students from economically backward and rural areas.
- Promoted an old age education centre called 'Foot Path' to impart necessary education to the old persons with workable computer knowledge.
- Contributing various educational Institutions /NGOs to promote education among the students belonging to economically weaker sections of the society.

ANNEXURE 'D' TO THE DIRECTORS' REPORT

B. Improving Health & well-being : The company has joined hands with many organizations to promote health & well-being of needy and poor people and some of the contributions include:-

- A Blood donor council which, besides, organizing blood donation awareness camps, donates free blood to number of Thalassemia patients on a regular basis and at a concessional cost to the others with timely availability to meet the emergent needs.
- Bi-monthly free dental care camps with supplies of free dentures to the old people.
- Free eye care and operation camps for the needy and poor patients of the area on a regular basis.
- Cancer awareness camps have been organized periodically, to create necessary awareness, early detection and control.
- Generous financial contribution and management assistance to Help Age International Charitable Trust (Regd.), which serves over 125 residential inmates providing all the medical care to the old orphans, handicapped and blind persons.

ANNEXURE 'D' TO THE DIRECTORS' REPORT

C. Other activities :

The Company has diversified its CSR activities towards ensuring environmental sustainability, awareness camps for cleanliness in line with Swatch Bharat Abhiyan, contributing to Jan Kalyan Program for providing medical aid to the society at large and many more as per the CSR Policy of the Company.

The company will serve its communities by :

- Ensuring they benefit from its presence by proactively responding to the public needs.
- Working in partnership with social organizations to widen the reach and leverage each partner's individual experience and expertise.
- Providing all assistance during times of disasters.
- Conserving natural resources & energy and developing eco-friendly processes and systems.
- Promoting healthcare & safety of needy people besides carrying out its existing activities.

CSR Committee:

The CSR projects / activities held during the year are implemented under the Guidance of the Board's Corporate Social Responsibility Committee, which comprises of Shri K.K. Sardana as its Chairman, Shri S.C. Jindal and Shri V.P. Kapahi as members. The activities of the committee, inter-alia, include monitoring of the CSR Policy of the company & undertaking the necessary steps for its effective implementation and recommending / budgeting the amount of expenditure to be incurred on CSR activities.

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Details of CSR Expenditure:

The Company is required to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, as per the provisions notified under section 135 and Schedule VII of the 'Companies Act, 2013' read with the provisions of the Companies (CSR) Rules. The Net Profits in terms of Section 198 of the Companies Act, 2013, appear as follows:-

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2017-18	3314.42
2016-17	2731.51
2015-16	3570.40
Average net Profits	3205.44
2% of above	64.11

Details of CSR Spent :

Prescribed CSR expenditure = 64.11 lacs

Actual CSR expenditure = 72.24 lacs

Manner in which the amount spent during the financial year is detailed below : (in ₹ Lacs)

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	- Preventive Health Care - Provision for food to poor & needy people	(Cl. i of Sch. VII) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Phagwara (Pb.), Ludhiana (Pb.), Triupati (A.P.)	15.00	17.70	17.70	Direct & through implementing agency
2.	- Education	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.), Nizamabad (Telangana) Pune (Maharashtra)	43.00	47.66	47.66	Through implementing agency

ANNEXURE 'D' TO THE DIRECTORS' REPORT

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
3.	Old age homes and homes for orphans	(Cl. iii of Sch. VII) Promoting gender equality, empowering women, setting up of homes and hostels for women & orphans, Setting up old age homes etc.	VPO Virk, Distt Jalandhar (Pb.),	6.00	6.12	6.12	Through Implementing agency
4.	- Environmental sustainability	(Cl. iv of Sch. VII) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air and water.	Phagwara (Pb.) Nizamabad (Telangana)	1.00	0.76	0.76	Through implementing agency
		TOTAL		**65.00**	**72.24**	**72.24**	

We hereby confirm that the implementation and monitoring of CSR policy, is in compliance with CSR objectives & policy of the company and also comply the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2016.

Sd/-	Sd/-	Sd/-
(K.K. Sardana)	**(V.P. Kapahi)**	**(Ruby Agrawal)**
Chairman	Member	Member
CSR Committee	CSR Committee	CSR Committee

ANNEXURE 'E' TO THE DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L15321PB1944PLC001925
ii.	Registration Date	16-03-1944
iii.	Name of the Company	SUKHJIT STARCH & CHEMICALS LIMITED
iv.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v.	Address of the Registered office & contact details	SARAI ROAD,PHAGWARA, DISTT KAPURTHALA,144401,INDIA
vi.	Whether listed company	LISTED
vii.	Name , Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES,D-153A, 1ST FLOOR,OKHLA INDUSTRIAL AREA,PHASE-1, NEW DELHI-110020

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

S.No	Name & Description of main products/services	NIC Code of the Product /service
1	Starch & Its Derivatives	1062

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S.No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	The Vijoy Steel and General Mills Co. Ltd.	U19113PB1945PLC001956	SUBSIDIARY	96.17	Sec 4(1)(b)
2	Scott Industries Limited	U18101PB1997PLC020568	SUBSIDIARY	99.97	Sec 4(1)(b)
3	Sukhjit Mega Food Park & Infra Limited	U45209PB2015PLC039547	SUBSIDIARY	100.00	Sec 4(1)(b)

ANNEXURE 'E' TO THE DIRECTORS' REPORT

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	4,253,538	-	4,253,538	57.64	84,22,298	-	84,22,298	57.06	41,68,760	(0.57)
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	3,587	-	3,587	0.05	11,174	-	11,174	0.08	7587	0.03
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	42,57,125	-	42,57,125	57.69	84,33,472	-	84,33,472	57.14	41,76,347	(0.55)
(2) Foreign										
a) NRI- Individuals	2,95,417	-	2,95,417	4.00	9,12,890	-	9,12,890	6.19	6,17,473	2.18
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	2,95,417	-	2,95,417	4.00	9,12,890	-	9,12,890	6.19	6,17,473	2.18
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	45,52,542	-	45,52,542	61.69	93,46,362	-	93,46,362	63.32	47,93,820	1.63
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	5,314	-	5,314	0.07	-	-	-	-	(5,314)	(0.07)
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	5,314	-	5,314	0.07	-	-	-	-	(5,314)	-
(2) Non Institutions										
a) Bodies corporates										
i) Indian	1,97,700	72	1,97,700	2.68	144	2,85,926	2,86,070	1.94	88,298	(0.74)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	11,22,683	4,16,690	15,39,373	20.86	6,30,971	19,62,489	25,93,460	17.57	10,54,087	(3.29)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	7,50,639	1,14,456	8,65,095	11.72	1,98,512	17,59,724	19,58,236	13.27	10,93,141	1.55
c) Others (specify)	2,19,164	560	2,19,724	2.98	1,120	574392	5,75,512	3.90	3,55,788	0.92
SUB TOTAL (B)(2):	22,90,186	5,31,778	28,21,964	38.24	8,30,747	45,82,531	54,13,278	36.68	25,91,314	(1.56)
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	22,95,500	5,31,778	28,27,278	38.31	8,30,747	45,82,531	54,13,278	36.68	25,86,000	(1.63)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	68,48,042	5,31,778	73,79,820	100	1,01,77,109	45,82,531	1,47,59,640	100	73,79,820	-

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the begginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ROHIT GROVER	300	0.00	0	600	0.00	0	0.00
2	VEER PRATAP SARDANA	2360	0.03	0	6720	0.05	0	0.01
3	NIKHIL SARDANA	2400	0.03	0	4800	0.03	0	0.00
4	KABIR SARDANA	2400	0.03	0	4800	0.03	0	0.00
5	NIDHI SARDANA	2936	0.04	0	5872	0.04	0	0.00
6	DIVYA SARDANA	3578	0.05	0	7156	0.05	0	0.00
7	UDAY PRATAP SARDANA	4540	0.06	0	9080	0.06	0	0.00
8	DIPIKA SARDANA	5500	0.07	0	11000	0.07	0	0.00
9	SONA SARDANA	6469	0.09	0	12938	0.09	0	0.00
10	DIPTI SARDANA	6741	0.09	0	13482	0.09	0	0.00
11	SONIA MONGIA	10416	0.14	0	44832	0.30	0	0.16
12	RADHIKA MONGIA	12100	0.16	0	44200	0.30	0	0.14
13	PADMINI MONGIA	12976	0.18	0	45952	0.31	0	0.14
14	VERINDER KUMAR SARDANA	32092	0.43	0	64184	0.43	0	0.00
15	SURENDRA NATH GADI	38000	0.51	0	94216	0.64	0	0.12
16	MEENAXI GADI	40000	0.54	0	241376	1.64	0	1.09
17	PRABHA GROVER	42832	0.58	0	85664	0.58	0	0.00
18	ASHOK SARDANA	42900	0.58	0	85800	0.58	0	0.00
19	SHALINI CHABLANI	43757	0.59	0	87514	0.59	0	0.00
20	NAVIN SARDANA	44186	0.60	0	91972	0.62	0	0.02
21	NALINI KALRA	44211	0.60	0	88422	0.60	0	0.00

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22	NANDINI OBEROI	55506	0.75	0	47012	0.32	0	-0.43
23	NANDINI KAUSHIK	120286	1.63	0	244172	1.65	0	0.02
24	INDER KRISHAN SARDANA (HUF)	127930	1.73	0	255860	1.73	0	0.00
25	SUMAN SARDANA	135794	1.84	0	271588	1.84	0	0.00
26	KULDIP KRISHAN SARDANA (HUF)	142383	1.93	0	284766	1.93	0	0.00
27	MANJOO SARDANA	165833	2.25	0	339000	2.30	0	0.05
28	BHAVDEEP SARDANA	417442	5.66	0	867282	5.88	0	0.22
29	PANKAJ SARDANA	421264	5.71	0	868694	5.89	0	0.18
30	PUNEET SARDANA	421833	5.72	0	865316	5.86	0	0.15
31	DHIRAJ SARDANA	424578	5.75	0	872662	5.91	0	0.16
32	INDER KRISHAN SARDANA	574033	7.78	0	1166466	7.90	0	0.12
33	KULDIP KRISHAN SARDANA	628450	8.52	0	1288900	8.73	0	0.22
		4253538	**57.64**		**8422298**	**57.06**	**0**	**-0.57**
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	3587	0.05	0	11174	0.08	0	0.03
		3587	**0.05**		**11174**	**0.08**	0	0.03
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	1000	0.01	0	171792	1.16	0	1.15
2	ROHINI SARDANA	35548	0.48	0	71096	0.48	0	0.00
3	RAVI CHOWDHRY	258869	3.51	0	584362	3.96	0	0.45
4.	RATI LOHTIA	0	0	0	43136	0.29	0	0.29
5.	RITU LOHTIA	0	0	0	42504	0.29	0	0.29
		295417	**4.00**	0	**912890**	**6.19**	0	**2.18**
	Total	**4552542**	**61.69**		**9346362**	**63.32**	0	**1.63**

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(VI) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Kuldip Krishan Sardana	628450	8.52	01.04.2018				
				16.11.2018	3000	Transfer	631450	8.56
				28.12.2018	2000	Transfer	633450	8.58
				31.12.2018	3000	Transfer	636450	8.62
				04.01.2019	1000	Transfer	637450	8.64
				22.02.2019	2000	Transfer	639450	8.66
				29.03.2019	5000	Transfer	644450	8.73
				30.03.2019	644450	Bonus	1288900	8.73
		1288900	8.73	31.03.2019			1288900	8.73
2	Inder Krishan Sardana	574033	7.78	01.04.2018				
				18.05.2018	100	Transfer	574133	7.78
				08.06.2018	100	Transfer	574233	7.78
				16.11.2018	3000	Transfer	577233	7.82
				28.12.2018	2000	Transfer	579233	7.85
				31.12.2018	3000	Transfer	582233	7.89
				04.01.2019	1000	Transfer	583233	7.90
				30.03.2019	583233	Bonus	1166466	7.90
		1166466	7.90	31.03.2019			1166466	7.90
3	Dhiraj Sardana	424578	5.75	01.04.2018				
				13.04.2018	809	Transfer	425387	5.76
				17.08.2018	500	Transfer	425887	5.77
				31.08.2018	-500	Transfer	425387	5.76
				28.09.2018	500	Transfer	425887	5.77
				19.10.2018	-500	Transfer	425387	5.76
				26.10.2018	500	Transfer	425887	5.77
				23.11.2018	265	Transfer	426152	5.77
				30.11.2018	300	Transfer	426452	5.78
				14.12.2018	1000	Transfer	427452	5.79
				28.12.2018	1000	Transfer	428452	5.81
				04.01.2019	2000	Transfer	430452	5.83
				22.02.2019	600	Transfer	431052	5.84
				08.03.2019	279	Transfer	431331	5.84
				29.03.2019	5000	Transfer	436331	5.91
				30.03.2019	436331	Bonus	872662	5.91
		872662	5.91	31.03.2019			872662	5.91

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VI) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
4	Pankaj Sardana	421264	5.71					
				26.10.2018	500	Transfer	421764	5.72
				16.11.2018	1000	Transfer	422764	5.73
				23.11.2018	1000	Transfer	423764	5.74
				30.11.2018	500	Transfer	424264	5.75
				14.12.2018	1415	Transfer	425679	5.77
				28.12.2018	1500	Transfer	427179	5.79
				04.01.2019	1650	Transfer	428829	5.81
				22.02.2019	518	Transfer	429347	5.82
				29.03.2019	5000	Transfer	434347	5.89
				30.03.2019	434347	Bonus	868694	5.89
		868694	5.89	31.03.2019			868694	5.89
5	Bhavdeep Sardana	417442	5.66	01.04.2018				
				13.04.2018	900	Transfer	418342	5.67
				08.06.2018	1000	Transfer	419342	5.68
				26.10.2018	500	Transfer	419842	5.69
				02.11.2018	247	Transfer	420089	5.69
				16.11.2018	1000	Transfer	421089	5.71
				23.11.2018	510	Transfer	421599	5.71
				30.11.2018	192	Transfer	421791	5.72
				14.12.2018	1500	Transfer	423291	5.74
				28.12.2018	1000	Transfer	424291	5.75
				31.12.2018	700	Transfer	424991	5.76
				04.01.2019	3000	Transfer	427991	5.80
				22.02.2019	450	Transfer	428441	5.81
				08.03.2019	200	Transfer	428641	5.81
				29.03.2019	5000	Transfer	433641	5.88
				30.03.2019	433641	Bonus	867282	5.88
		867282	5.88	31.03.2019			867282	5.88
6	Puneet Sardana	421833	5.72	01.04.2018				
				26.10.2018	500	Transfer	422333	5.72
				23.11.2018	350	Transfer	422683	5.73
				30.11.2018	475	Transfer	423158	5.73
				14.12.2018	1000	Transfer	424158	5.75
				28.12.2018	1000	Transfer	425158	5.76
				04.01.2019	1900	Transfer	427058	5.79
				22.02.2019	600	Transfer	427658	5.79
				29.03.2019	5000	Transfer	432658	5.86
				30.03.2019	432658	Bonus	865316	5.86
		865316	5.86	31.03.2019			865316	5.86

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VI) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
7	Manjoo Sardana	165833	2.25	01.04.2018				
				22.02.2019	3667	Transfer	169500	2.30
				30.03.2019	169500	Bonus	339000	2.30
		339000	2.30	31.03.2019			339000	2.30
8	Kuldip Krishan Sardana	142383	1.93	01.04.2018				
	(HUF)			30.03.2019	142383	Bonus	284766	1.93
		284766	1.93	31.03.2019			284766	1.93
9	Suman Sardana	135794	1.84	01.04.2018				
				30.03.2019	135794	Bonus	271588	1.84
		271588	1.84	31.03.2019			271588	1.84
10	Inder Krishan Sardana (HUF)	127930	1.73	01.04.2018				
				30.03.2019	127930	Bonus	255860	1.73
		255860	1.73	31.03.2019			255860	1.73
11	Nandini Kaushik	120286	1.63	01.04.2018				
				20.04.2018	1800	Transfer	122086	1.65
				30.03.2019	122086	Bonus	244172	1.65
		244172	1.65	31.03.2019			244172	1.65
12	Meenaxi Gadi	40000	0.54	01.04.2018				
				29.06.2018	80688	Transfer	120688	1.64
				30.03.2019	120688	Bonus	241376	1.64
		241376	1.64	31.03.2019			241376	1.64
13	Surendra Nath Gadi	38000	0.26	01.04.2018				
				21.03.2019	9108	Transfer	47108	0.64
				30.03.2019	47108	Bonus	94216	0.64
		94216	0.64	31.03.2019			94216	0.64
14	Navin Sardana	44186	0.30	01.04.2018				
				20.04.2018	1800	Transfer	45986	0.62
				30.03.2019	45986	Bonus	91972	0.62
		91972	0.62	31.03.2019			91972	0.62
15	Nalini Kalra	44211	0.30					
				30.03.2019	-23242	Transfer	20969	0.28
				30.03.2019	67453	Bonus	88422	0.60
		88422	0.60	31.03.2019			88422	0.60

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(VI) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
16	Shalini Chablani	43757	0.30	01.04.2018				
				30.03.2019	-11240	Transfer	32517	0.44
				30.03.2019	54997	Bonus	87514	0.59
		87514	0.59	31.03.2019			87514	0.59
17	Ashok Sardana	42900	0.29	01.04.2018				
				30.03.2019	42900	Bonus	85800	0.58
		85800	0.58	31.03.2019			85800	0.58
18	Prabha Grover	42832	0.29	01.04.2018				
				30.03.2019	42832	Bonus	85664	0.58
		85664	0.58	31.03.2019			85664	0.58
19	Verinder Kumar Sardana	32092	0.22	01.04.2018				
				30.03.2019	32092	Bonus	64184	0.43
		64184	0.43	31.03.2019			64184	0.43
20	Nandini Oberoi	55506	0.38	01.04.2018				
				24.08.2018	-32000	Transfer	23506	0.32
				30.03.2019	23506	Bonus	47012	0.32
		47012	0.32	31.03.2019			47012	0.32
21	Padmini Mongia	12976	0.09	01.04.2018				
				24.08.2018	10000	Transfer	22976	0.31
				30.03.2019	22976	Bonus	45952	0.31
		45952	0.31	31.03.2019			45952	0.31
22	Sonia Mongia	10416	0.07	01.04.2018				
				24.08.2018	12000	Transfer	22416	0.30
				30.03.2019	22416	Bonus	44832	0.30
		44832	0.30	31.03.2019			44832	0.30
23	Radhika Mongia	12100	0.08	01.04.2018				
				24.08.2018	10000	Transfer	22100	0.30
				30.03.2019	22100	Bonus	44200	0.30
		44200	0.30	31.03.2019			44200	0.30
24	Dipti Sardana	6741	0.05	01.04.2018				
				30.03.2019	6741	Bonus	13482	0.09
		13482	0.09	31.03.2019			13482	0.09

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VI) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
25	Sona Sardana	6469	0.04					
				30.03.2019	6469	Bonus	12938	0.09
		12938	0.09	31.03.2019			12938	0.09
26	Dipika Sardana	5500	0.04					
				30.03.2019	5500	Bonus	11000	0.07
		11000	0.07	31.03.2019			11000	0.07
27	Sukhmani Ventures Pvt. Ltd.	3587	0.02					
				29.03.2019	2000	Transfer	5587	0.08
				30.03.2019	5587	Bonus	11174	0.08
		11174	0.08	31.03.2019			11174	0.08
28	Uday Pratap Sardana	4540	0.03					
				30.03.2019	4540	Bonus	9080	0.06
		9080	0.06	31.03.2019			9080	0.06
29	Divya Sardana	3578	0.02					
				30.03.2019	3578	Bonus	7156	0.05
		7156	0.05	31.03.2019			7156	0.05
30	Veer Pratap Sardana	2360	0.02					
				31.08.2018	500	Transfer	2860	0.04
				19.10.2018	500	Transfer	3360	0.05
				30.03.2019	3360	Bonus	6720	0.05
		6720	0.05	31.03.2019			6720	0.05
31	Nidhi Sardana	2936	0.02					
				30.03.2019	2936	Bonus	5872	0.04
		5872	0.04	31.03.2019			5872	0.04
32	Kabir Sardana	2400	0.02					
				30.03.2019	2400	Bonus	4800	0.03
		4800	0.03	31.03.2019			4800	0.03
33	NIKHIL SARDANA	2400	0.02					
				30.03.2019	2400	Bonus	4800	0.03
		4800	0.03	31.03.2019			4800	0.03
34	ROHIT GROVER	300	0.00					
				30.03.2019	300	Bonus	600	0.00
		600	0.00	31.03.2019			600	0.00

Note : There is no change during the year under reference in the shareholding of other Promoters except for those mentioned above.

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VII) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sudhir Sindhwani	112520	1.52	01.04.2018				
				30.03.2019	112520	Bonus	225040	1.52
		225040	**1.52**	**31.03.2019**			**225040**	**1.52**
2	Satish Chandra Jindal HUF	50400	0.68	01.04.2018				
				30.03.2019	50400	Bonus	100800	0.68
		100800	**0.68**	**31.03.2019**			**100800**	**0.68**
3	Manoj Kumar Agarwal	43434	0.59	01.04.2018				
				30.03.2019	43434	Bonus	86868	0.59
		86868	**0.59**	**31.03.2019**			**86868**	**0.59**
4	Anuradha Agarwal	0	-	01.04.2018				
				18.07.2018	13028	Transfer	13028	0.18
				19.10.2018	24772	Transfer	37800	0.51
				30.03.2019	37800	Bonus	75600	0.51
		75600	**0.51**	**31.03.2019**			**75600**	**0.55**
5	Ajay Chandra Agarwal	37100	0.50	01.04.2018				
				30.03.2019	37100	Bonus	74200	0.50
		74200	**0.50**	**31.03.2019**			**74200**	**0.50**
6	Rohini Sardana	35548	0.48	01.04.2018				
				30.03.2019	35548	Bonus	71096	0.48
		71096	**0.48**	**31.03.2019**			**71096**	**0.48**
7	Wallfort Financial Service Ltd.	50000	0.68	01.04.2018				
				13.04.2018	-5000	Transfer	45000	0.61
				20.04.2018	-5000	Transfer	40000	0.54
				22.06.2018	2	Transfer	40002	0.54
				29.06.2018	-2	Transfer	40000	0.54
				27.07.2018	309	Transfer	40309	0.55
				03.08.2018	-309	Transfer	40000	0.54
				31.08.2018	8350	Transfer	48350	0.66
				07.09.2018	1650	Transfer	50000	0.68
				25.01.2019	-10000	Transfer	40000	0.54
				01.03.2019	-8000	Transfer	32000	0.43
				30.03.2019	32000	Bonus	64000	0.43
		64000	**0.43**	**31.03.2019**			**64000**	**0.43**
8	Satish Kumar	46087	0.62	01.04.2018				
				25.05.2018	-940	Transfer	45147	0.61
				01.02.2019	-606	Transfer	44541	0.60
				08.02.2019	-10720	Transfer	33821	0.46
				14.02.2019	- 444	Transfer	33377	0.45
				01.03.2019	-1604	Transfer	31773	0.43
				08.03.2019	-2065	Transfer	29708	0.40
				15.03.2019	-428	Transfer	29280	0.39
				21.03.2019	-510	Transfer	28770	0.39
				28.03.2019	-11597	Transfer	17173	0.23
				30.03.2019	17173	Bonus	34346	0.23
		34346	**0.23**	**31.03.2019**			**34346**	**0.23**

ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promotors	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
9	Seetha Kumari	45404	0.62	01.04.2018				
				27.07.2018	124	Transfer	45528	0.61
				17.08.2018	8026	Transfer	53554	0.73
				21.03.2019	-671	Transfer	52883	0.71
				22.03.2019	-2411	Transfer	50472	0.68
				28.03.2019	-23748	Transfer	26724	0.36
				30.03.2019	26724	Bonus	53448	0.36
		53448	**0.36**	**31.03.2019**			**53448**	**0.36**
10	Varun Bansal	39767	0.54	01.04.2018				
				15.03.2019	-11000	Transfer	28767	0.39
				21.03.2019	-10477	Transfer	18290	0.25
				30.03.2019	18290	Transfer	36580	0.25
		36580	**0.25**	**31.03.2019**			**36580**	**0.25**

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Inder Krishan Sardana	574033	7.78	01.04.2018				
	(Managing Director)			18.05.2018	100	Transfer	574133	7.78
				08.06.2018	100	Transfer	574233	7.78
				16.11.2018	3000	Transfer	577233	7.82
				28.12.2018	2000	Transfer	579233	7.85
				31.12.2018	3000	Transfer	582233	7.89
				01.04.2019	1000	Transfer	583233	7.90
				30.03.2019	583233	Bonus	1166466	7.90
		1166466	7.90	**31.03.2019**			**1166466**	7.90
2	Kuldip Krishan Sardana	628450	8.52	01.04.2018				
	(Joint Managing Director)			16.11.2018	3000	Transfer	631450	8.56
				28.12.2018	2000	Transfer	633450	8.58
				31.12.2018	3000	Transfer	636450	8.62
				01.04.2019	1000	Transfer	637450	8.64
				22.02.2019	2000	Transfer	639450	8.66
				29.03.2019	5000	Transfer	644450	8.73
				30.03.2019	644450	Bonus	1285900	8.73
		1285900	8.73	**31.03.2019**			**1285900**	8.73

ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beggin-ning of the year (01.04.2018) /End of year (31.03.2019)		Date	Increase/ Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
3	Ravi Chowdhry	258869	3.51	01.04.2018				
	(Women Director)			06.04.2018	356	Transfer	259225	3.51
				13.04.2018	5358	Transfer	264583	3.59
				27.04.2018	4634	Transfer	269217	3.65
				18.05.2018	2000	Transfer	271217	3.68
				08.06.2018	2404	Transfer	273621	3.71
				29.06.2018	1700	Transfer	275321	3.73
				06.07.2018	459	Transfer	275780	3.74
				13.07.2018	301	Transfer	276081	3.74
				17.08.2018	1000	Transfer	277081	3.75
				24.08.2018	4000	Transfer	281081	3.81
				28.09.2018	3062	Transfer	284143	3.85
				05.10.2018	3030	Transfer	287173	3.89
				12.10.2018	1420	Transfer	288593	3.91
				19.10.2018	1600	Transfer	290193	3.93
				16.11.2018	-5812	Transfer	284381	3.85
				28.12.2018	2800	Transfer	287181	3.89
				18.01.2019	5000	Transfer	292181	3.96
				30.03.2019	292181	Bonus	584362	3.96
		584362	3.96	**31.03.2019**			**584362**	**3.96**
4	V. K. Sardana	32092	0.43	01.04.2018				
	(Director)			30.03.2019	32092	Bonus	64184	0.43
		32092	**0.43**	**31.03.2019**			**64184**	**0.43**
5	S. C. Jindal	35220	0.48	01.04.2018				
	(Director)			30.03.2019	35220	Bonus	70440	0.48
		70440	**0.48**	**31.03.2019**			**70440**	**0.48**
6	Naresh Sardana	1000	0.01	01.04.2018				
	(Director)			19.10.2018	84896	Transfer	85896	0.58
		1000	0.01	31.03.2019	85896	Bonus	171792	1.16
		171792	**1.16**	**31.03.2018**			**171792**	**1.16**
7	V. P. Kapahi	1000	0.01	01.04.2018				
	(Director)			30.03.2019	1000	Bonus	2000	0.01
		1000	**0.01**	**31.03.2019**			**2000**	**0.01**
8	S. K. Anand	1002	0.01	01.04.2018				
	(Director)			30.03.2019	1002	Bonus	2004	0.01
		1002	**0.01**	**31.03.2019**			**2004**	**0.01**
9	M G Sharma	60	0.00	01.04.2018				
	(Executive Director (Fin) & CFO)			30.03.2019	60	Bonus	120	0.00
		120	**0.00**	**31.03.2019**			**120**	**0.00**
10	Aman Setia	-	-	01.04.2018				
	(Vice President Finance			30.03.2019	Nil	No Change		
	& Company Secretary)	**0**	**-**	**31.03.2019**			**0**	**-**

ANNEXURE 'E' TO THE DIRECTORS' REPORT

IX. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	10,286.78	-	5,051.06	15,337.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	293.35	293.35
Total (i+ii+iii)	10,286.78	0.00	5,344.41	15,631.19
Change in Indebtedness during the financial year				
Additions	-	2,500.00	439.17	2939.17
Reduction	(3,083.12)	-	-	(3,083.12)
Net Change	(3,083.12)	2,500.00	439.17	(143.95)
Indebtedness at the end of the financial year				
i) Principal Amount	7,203.66	2,500.00	5,430.40	15,134.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	353.18	353.18
Total (i+ii+iii)	7,203.66	2,500.00	5,783.58	15,487.24

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER:

S.No	Particulars of Remuneration		Name of the MD/WTD/Manager			Total Amount
1	**Gross Salary**		Sh. I.K. Sardana	Sh. K.K. Sardana	Sh. M.G. Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.		81.79	80.67	44.76	207.22
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		26.49	11.73	1.44	39.66
2	Commission (as % of profit)		32.52	32.52	-	65.04
3	Others (Retirement Benefits)		6.58	6.49	2.42	15.49
	Total (A)		**147.38**	**131.41**	**48.62**	**327.41**
	Ceiling as per the Act					650.36

ANNEXURE 'E' TO THE DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS :

S.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Sh. S.C. Jindal	Sh. S.K. Anand	Sh. V.P. Kapahi	
	(a) Fee for attending board / committee meetings	0.27	0.45	0.45	1.17
	(b) Commission	10.84	10.84	10.84	32.52
	Total (1)	**11.11**	**11.29**	**11.29**	**33.69**
2	Other Non Executive Directors	Sh. V.K. Sardana	Smt. Ravi Chowdhry	Sh. Naresh Sardana	
	(a) Fee for attending board / committee meetings	0.36	0.18	0.18	0.72
	(b) Commission (as % of profit)	10.84	10.84	10.84	32.52
	Total (2)	**11.20**	**11.02**	**11.02**	**33.24**
	Total (B)=(1+2)	**22.31**	**22.31**	**22.31**	**66.93**
	Total Managerial Remuneration excl. Sitting fees				65.04
	Overall Ceiling as per the Act.				65.04

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

S.No.	Particulars of Remuneration	Key Managerial Personnel		
1	**Gross Salary**	**CFO**	**Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	44.76	27.86	72.62
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.44	0.00	1.44
2	Others (Retirement Benefits)	2.42	2.72	5.14
	Total	**48.62**	**30.58**	**79.2**

XI. PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punish-ment/Compoun-ding fees imposed	Authority (RD/NCLT/ Court)	Appeall made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			Nil		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

ANNEXURE 'F' TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Conservation of Energy

(a) Steps taken or impact on conservation of energy:

The Company continues with its on-going process to conserve / save energy by installing / optimising some key equipments where feasible, after necessary technical appraisal and energy audit, as under :

- The company has started re-cycling and using its treated process water in one of its units resulting in reduction of power load for withdrawal of ground water with due conservation of water resources.
- In other plant(s), smaller sized hydroclones / lower HP pump have been replaced with optimum sized hydroclones / pumps thereby reducing the consumption of power considerably.
- Ion exchange resins have been procured and replensished whereever necessary, thereby increasing the through put of the product which further reduced the number of regenerations of the unit thereby saving energy.
- Trails are being conducted to use biological culture in place of extensive aeration at ETP to reduce the energy consumption at aeration stage which used to be the major consumer of electricity.
- Volute press to process sludge has also been procured by us in one of our units replacing the decanter, which has substantially reduced the operating power consumption.

(b) Steps taken by the company for utilizing alternate sources of energy:

Steps are already afoot for generating power from the agricultural waste. Company is considering various steps for utilizing alternate sources of energy like generating power from Bio fuel gas / solar. The Company is already producing Bio fuel gas from its effluent waste, which is being used for drying some of its products and partly for generating steam thereby replacing use of furnace oil and coal and reducing carbon foot print.

(c) The capital investment on energy conservation equipments:

During the year, the Company has made capital Investment of ₹ 44.42 lacs, on account of energy conservation equipments.

Technology Absorption

The Company has not entered into any technical collaboration agreement. It has not acquired any technical know-how from any foreign source so far.

Research & Development

Research & Development programme already carried out by the Company has started bearing fruits and Maize growing has started gaining ground in the State of Punjab. Procurement of Maize from the State is increasing year over year.

Expenditure on R & D

The Company has spent about ₹ 68.75 lacs during the year under reference (₹ 67.90 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their application.

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 802.14 lacs (₹ 1,636.14 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 27.45 lacs (₹ 124.02 lacs during previous year), Spare parts, components and consumables of ₹ 37.11 lacs (₹ 49.93 lacs during previous year) on a C.I.F. basis and has remittance in foreign traveling of ₹ 3.88 lacs (₹ 1.32 lacs during previous year).

ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit for the financial year 2018-19 of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sukhjit Starch & Chemicals Limited.

1. The maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462; C. P. No. : 1947
Place: Jalandhar
Dated: May 25, 2019

ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sukhjit Starch & Chemicals Limited (hereinafter called the company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of The Sukhjit Starch 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
    (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
    (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made thereunder from time to time;
    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 and the amendments made thereunder from time to time;
    (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

    The following regulations and Guidelines of SEBI are not applicable to the company as no such event took place in the Company:
    (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
    (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
(vi) Other laws applicable on the Company including
    - Food Safety and Standards Act, 2006,
    - Factories Act, 1948,

ANNEXURE 'G' TO THE DIRECTORS' REPORT

- Industrial Dispute Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Employee Compensation Act, 1923
- The Apprentices Act, 1961
- Income tax Act, 1961

have been duly Complied with as per the Representation received from the Company and on relying upon the Statutory Auditor Report and Cost Audit Report.

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

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

(ii) The Listing Agreement for equity shares entered into by the Company with BSE Limited, Mumbai and;

(iii) Securities and Exchange Board of India (Listing Obligations 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.

We 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.

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.

Decisions of the Board meetings, as represented by the Management were taken unanimously.

We 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.

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462
C. P. No.: 1947

Place: Jalandhar
Dated: May 25, 2019

DECLARATION BY THE MANAGING DIRECTOR

To

The Shareholders,
The Sukhjit Starch & Chemicals Ltd.,

Declaration by the Managing Director
Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify that the Company has adopted a Code of Conduct for its employees including Executive Directors, Non Executive Directors and Senior Management Personnel.

I, K.K. Sardana, Managing Director of The Sukhjit Starch & Chemicals Ltd. 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 the Code of Conduct for the year ended 31st March, 2019.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

Sd/-
(K.K. SARDANA)
Managing Director

Place : Phagwara
Dated : 25th May, 2019

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CERTIFICATE

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by The Sukhjit Starch & Chemicals Limited for the year ended on 31st March, 2019 as stipulated in schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March, 2019, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Stake holder's relationship / grievance committee.

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.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara
Dated : 25th May, 2019

MANAGING DIRECTOR/ CFO CERTIFICATE UNDER CLAUSE 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Board of Directors

The Sukhjit Starch & Chemicals Limited

1. We have reviewed financial statements and the cash flow statement of The Sukhjit Starch & Chemicals Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
   (i) that there are no significant changes in internal control over financial reporting during the year;
   (ii) that there are no significant changes in accounting policies during the year; and
   (iii) that there are no instances of significant fraud of which we have become aware of.

Sd/-	Sd/-
(K.K. Sardana)	**(M.G. Sharma)**
Managing Director	Chief Financial Officer

Place : Phagwara.
Dated : 25th May, 2019

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE STANDALONE FINANCIAL STATEMENTS :

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Limited(the Company) as at March 31, 2019, which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone Ind AS financial Statement").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), changes in Equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY :

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OPINION :

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements, read together with significant accounting policies and notes forming part of accounts, give the information required by the companies Act, 2013 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :

INDEPENDENT AUDITORS' REPORT

(i) In case of balance sheet, of the state of the affairs of the company as at 31st March 2019.

(ii) In case of profit and loss Accounts, of the profit of the company for the year ended on that date.

(iii) In case of changes in Equity, of the changes in equity for the year ended on that date.

(iv) In the case of cash flow statement of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclosed in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
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 Profit and Loss Statement, 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Company and the operating effectiveness of such controls, refer to our specific report in "Annexure B" and
   (g) With respect to the other matters to be included in the Auditor's 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 financial position in its financial statements as referred to in note to the financial statements.
      (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara
Dated : 25th May, 2019

INDEPENDENT AUDITORS' REPORT

ANNEXURE A TO THE AUDITORS' REPORT :

1. The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the standalone financial statements for the year ended 31st March 2019, we report that :
2. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
3. As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
4. According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
5. The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
6. In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
7. Paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of rate of Interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act.
8. Paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
9. Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
10. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
11. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
12. The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
13. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

    According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other

INDEPENDENT AUDITORS' REPORT

material Statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.96 Crores. The amount mainly includes as under :

- ₹28.93 Crores as disputed Central Excise Duty (excluding penalty &interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account.
- Other items related to a demand of ₹ 1.64 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
- ₹ 2.39 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd.,Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.

14. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company does not have any borrowings from debenture holders.
15. The term loans have been applied for the purpose for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
16. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
17. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
18. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
19. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
20. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
21. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence paragraph 3(xv) of the Order is not applicable.
22. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)

Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara.
Dated : 25th May, 2019

INDEPENDENT AUDITORS' REPORT

ANNEXURE B TO THE AUDITORS' REPORT :

Report on the Internal Financial Controls Over Financial Reporting 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 The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone 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.

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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

INDEPENDENT AUDITORS' REPORT

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 (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 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 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, to the best of our information and according to the explanations given to us, 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, 2019, 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 VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)

Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara.
Dated : 25th May, 2019

BALANCE SHEET AS ON 31ST MARCH, 2019

	NOTE	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**21,341.21**	21,087.20
(b) Capital Work-in-progress	4	**6,761.16**	1,425.90
(c) Investment Property	5	**2,029.37**	2,102.65
(d) Other Intagible Assets	3	**6.73**	4.23
(e) Financial Assets			
(i) Investments	6	**1,766.36**	1,767.87
(f) Other Non Current Assets	7	**249.79**	241.99
		32,154.62	26,629.84
2. CURRENT ASSETS			
(a) Inventories	8	**5,324.36**	9,210.67
(b) Financial Assets			
(i) Investments	9	**7,572.43**	4,637.67
(ii) Trade Receivables	10	**6,082.00**	7,022.99
(iii) Cash & Cash Equivalents	11	**211.52**	67.68
(iv) Bank Balance other than	12	**869.63**	689.82
(v) Other Financial Assets	13	**878.69**	1,079.04
(c) Income Tax Asset (net)	14	**–**	351.51
(d) Other Current Assets	15	**188.41**	971.47
		21,127.04	24,030.85
	TOTAL	**53,281.66**	50,660.69
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	**1,475.96**	737.98
(b) Other Equity	17	**27,422.78**	25,155.06
		28,898.74	25,893.04
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	**8,774.40**	5,101.06
(b) Deferred Tax Liabilities (Net)	19	**3,159.08**	2,829.24
(c) Other Non Current Liabilities	20	**1,921.35**	1,843.61
		13,854.83	9,683.91
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	**6,359.66**	10,036.78
(ii) Trade Payable	22	**2,898.14**	3,661.27
(b) Income Tax Liability (net)	23	**92.74**	–
(c) Other Current Liabilities	24	**1,177.55**	1,295.70
		10,528.09	14,993.74
	TOTAL	**53,281.66**	50,660.69

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	PARTICULARS	NOTE		FOR THE YEAR ENDED 31.3.2019 (₹)	FOR THE YEAR ENDED 31.3.2018 (₹)
1.	Revenue From Operations	25		**74,085.03**	70,831.78
2.	Other Income	26		**230.28**	493.04
3.	**Total Revenue**			**74,315.31**	71,324.82
4.	Expenses :				
	Cost of Materials Consumed	27		**47,416.91**	48,209.13
	Change in Inventories of Finished Goods, Stock in Trade & Work in Progress	28		**383.56**	109.31
	Employee Benefits Expense	29		**4,369.97**	4,125.22
	Finance Costs	30		**1,628.14**	1,753.63
	Excise Duty	25		**–**	761.28
	Depreciation and Amortisation Exp.	3		**1,274.38**	1,471.96
	Other Expenses	31		**12,644.51**	11,276.68
	Total Expenses			**67,717.47**	67,707.20
5.	**Profit Before Tax (3-4)**			**6,597.84**	3,617.62
6.	Tax Expense :				
	- Current Tax		2,140.00		1,035.00
	- Deferred Tax		290.00		280.00
				2,430.00	1,315.00
7.	**Profit for the year (5-6)**			**4,167.84**	2,302.62
8.	**Other Comprehensive Income**				
	(A) Items that will not be reclassified to Profit or Loss				
	(a) Remeasurement of defined employee benefit plans			**(14.26)**	26.50
	(b) Income tax relating to items that will not be reclassified to Profit or Loss			**4.98**	(9.17)
	(B) Items that will be reclassified to Profit or Loss				
	(a) Net change in fair value of investment other than equity			**243.36**	103.36
	(b) Income tax relating to items that will be reclassified to Profit & Loss			**(85.04)**	(35.77)
9.	Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)			**4,316.88**	2,387.54
10.	**Earning per equity share :**				
	(a) Basic			**28.24**	15.60 (*)
	(b) Diluted			**28.24**	15.60 (*)

(*) The previous period EPS has been calculated w.r.t. the current share capital increased by issue of bonus shares in the ratio of 1:1 during March, 2019 to make it comparable with the current year figure.

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance) & Company Secretary

K.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Subsidy	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2018						
Balance at the beginning of the reporting period i.e. 1st April, 2017	417.67	87.14	20,897.19	1,780.33	175.36	23,357.69
Profit for the year				2,302.60		2,302.60
Other Comprehensive Income					84.92	84.92
Dividends				(368.99)		(368.99)
Tax on dividend				(75.12)		(75.12)
Transfer to General Reserve			1,500.00	(1,500.00)		
OCI reclassified to P&L					(146.04)	(146.04)
Balance at the end of the reporting period i.e. 31st March, 2018	**417.67**	**87.14**	**22,397.19**	**2,138.82**	**114.24**	**25,155.06**
AS ON 31 MARCH 2019						
Balance at the beginning of the reporting period i.e. 1st April, 2018	417.67	87.14	22,397.19	2,138.82	114.24	25,155.06
Profit for the year				4,167.81		4,167.81
Other Comprehensive Income					149.80	149.80
Dividends				(1,033.18)		(1,033.18)
Tax on dividend				(212.37)		(212.37)
Transfer to General Reserve			2,500.00	(2,500.00)		--
Utilized for issue of Bonus Shares		(87.14)	(650.84)			(737.98)
OCI reclassified to P&L					(66.36)	(66.36)
Balance at the end of the reporting period i.e. 31st March, 2019	**417.67**	**--**	**24,246.35**	**2,561.08**	**197.68**	**27,422.78**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year Ended 31st March, 2019 (₹ Lacs)		For the Year Ended 31st March, 2018 (₹ Lacs)	
FLOWS FROM OPERATING ACTIVITIES				
Net Profit before tax	**6,597.84**		3,617.62	
ADJUSTMENTS FOR NON-CASH ITEMS				
Depreciation	**1,274.38**		1,471.95	
Provision	**54.94**		400.00	
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES				
Interest received	**(115.29)**		(136.82)	
Interest paid	**1,595.79**		1,697.24	
(Profit) Loss on sale of investments/assets	**(96.12)**		(304.81)	
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	**9,311.53**		**6,745.16**	
CHANGES IN WORKING CAPITAL				
Trade and other receivables	**1,869.45**		(2,016.09)	
Inventories	**3,886.31**		(3,784.77)	
Trade Payables	**(763.12)**		521.20	
Other Liabilities	**64.65**		550.81	
NET FLOWS FROM OPERATING ACTIVITIES	**14,368.82**		2,016.31	
Net Direct Taxes Paid	**(1,689.10)**		(718.90)	
NET FLOWS FROM OPERATING ACTIVITIES		**12679.72**		**1297.41**
FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	**(6,878.62)**		(1,645.08)	
Sale of Investments/Assets	**108.59**		305.09	
Other Investments	**(2,755.16)**		(2,597.32)	
Interest received	**115.29**		136.82	
NET FLOWS FROM INVESTING ACTIVITIES		**(9409.90)**		**(3,800.49)**
FLOWS FROM FINANCING ACTIVITIES				
Loans raised for working capital	**(3,677.12)**		4,309.59	
Term Loans raised	**3,344.00**		–	
Repayment of Term Loan	**(250.00)**		(200.00)	
Other Loans raised	**461.09**		564.67	
Dividends paid (including DDT)	**(1,228.35)**		(443.43)	
Interest paid	**(1,595.79)**		(1,697.24)	
NET FLOWS FROM FINANCING ACTIVITIES		**(2,946.17)**		2,533.59
Net Cash Flows during the year		**323.65**		30.50
Cash & cash equivalents at the beginning of the year		**757.50**		727.00
Cash & cash equivalents at the end of the year		**1,081.15**		757.50

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS — RANBIR SINGH SEEHRA, VP KAPAHI

NOTES

Forming part of the standalone financial statements for the year ended 31st March, 2019.

1. CORPORATE INFORMATION

The Sukhjit Starch & Chemicals Limited ("The Company") is Public Limited Company incorporated and domiciled in India. The address of its registered office is Sarai Road, Phagwara - 144401.

The company is an Agro-Processing Industry manufacturing starch & its derivatives i.e Liquid Glucose, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol, Modified Starches and by-products. The company has emerged as one of the largest manufacturers of the Starch and its derivatives in India having multi-locational manufacturing units at Phagwara (Punjab), Nizamabad (Telangana), Malda (West Bengal) and Gurplah (Himachal Pradesh).

The Company is listed on Bombay Stock Exchange Ltd. (BSE). The standalone financial statements for the year ended March 31, 2019 were approved by the Board of Directors on 25.05.2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements are the separate financial statements of the Company (also called standalone financial statements) prepared in accordance with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

(b) Basis of preparation of Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended form time to time and rules & guidelines issued by SEBI as applicable.

(c) Property, Plant and Equipment

These are tangible assets held for use in production, supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

(i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.

(ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013. Buildings - 3 to 60 years. Plant and Machinery - 5 to 25 years Office equipment - 5 to 10 years Vehicles - 8 to 10 years.

(iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.

(d) Intangible Assets

Intangible asset purchased are measured at cost less accumulated amortisation and accumulated impairment, if any and are amortised as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

(e) Investments

To comply with the requirements of Ind AS 109, the company has elected during its first time adoption of IND AS to present gains or losses on investment in equity securities / mutual funds held at the end of the financial year at fair value through other comprehensive income (FVTOCI). However, any gains or losses on sale of investment during the year are charged in profit and loss account.

The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in IND AS 27. The details of such investments are given in note no. 6 of the financial statements.

(f) Investment Property

On transition to Ind AS, Company has elected to continue with the carrying value of all the investment properties as per previous GAAP and use that carrying value as deemed cost of investment properties. However, a disclosure of market value of such investment properties have been mentioned in the notes to accounts.

(g) 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. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.

(h) Inventories

Raw Material, stores & spares, packing material, components, stock in process, finished goods and goods held for resale are valued at lower of cost and net realisable value. By-products are valued at their net realisable value. The costs are, in general, determined on a weighted average basis. Due allowance is made for obsolete items, if any.

(i) Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash in hand, cheque in hand and balances of current accounts with banks.

(j) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961. Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income.

(k) Lease assets

Leases in which a significant portion of risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit & loss account on accrued basis.

(l) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(m) Recognition of Income and Expenses

(i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized is net of GST, net of rebate & discount but include excise duty where applicable.

(ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

(iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.

(v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

(n) Government subsidy / Grants

Government Grants are recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

(i) Subsidy/ Grants related to assets are presented in balance sheet as 'Deferred Income' which is recognized in the statement of profit & loss under the head 'other income' on a systematic basis over the useful life of the assets i.e. period ranging from 25 to 30 years.

(ii) Subsidy / Grants related to expenses are treated in statement of profit & loss under the head for which the grants are intended to compensate.

(o) Employee Benefits

(i) Short term employee benefits are charged to the profit & loss account of the year in which the employee renders services. These benefits include Annual leave encashment, Ex-gratia etc.

(ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.

(iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust and charged to the profit and loss account / other comprehensive income of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis

(p) Research and Development Expenditure

Revenue expenditure on research and development are charged off as and when incurred. However, the capital expenditure is considered as part of the fixed assets and depreciation on the same basis as other fixed assets.

(q) Foreign Currency Transaction

The company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or the exchange rates prevailing at the end of the accounting year.

Any income or expenditure on account of exchange difference (on transaction) is recognized in the profit and loss account except Long term liabilities relating to acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the assets.

(r) Impairment

Impairment loss, if any, is provided, by making provision in the books of accounts, to the extent carrying cost of an asset exceeds its realizable value.

(s) Borrowing Cost

Borrowings cost related to specific borrowings for acquisition / construction / errection of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use. Borrowing cost related to general borrowings for acquisition /construction /errection of a qualifying asset are capitalized as a part of the cost by applying a capitalization rate as per IND-AS 23.

(t) Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal / court for which no reliable estimate can be made and / or involves uncertainty of the outcome of the amount of the obligation are not provided for in accounts but disclosed in notes to accounts.

(u) Earnings Per Share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares (if any).

FIXED ASSETS AS ON 31ST MARCH, 2019

Amount (₹ Lacs)

NOTE : 3

ASSETS	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL ASSETS	PREVIOUS YEAR
COST										
Cost as on 1.4.2018	1,278.52	7,211.92	288.84	23,303.50	1,050.81	406.87	33,540.45	34.56	33,575.01	32,123.45
Additions	13.19	551.40	10.53	908.54	44.63	10.99	1,539.28	4.07	1,543.35	1,451.86
Sale/Adjustments	--	18.79	--	--	--	16.06	34.85	--	34.85	0.30
Total as on 31.3.2019	1,291.71	7,744.53	299.37	24,212.04	1,095.44	401.80	35,044.88	38.63	35,083.52	33,575.01
DEPRECIATION										
Upto 31.3.2018	--	3,137.32	229.17	7,944.19	787.64	354.91	12,453.24	30.33	12,483.58	11,011.65
For the Year	--	339.18	17.84	832.46	63.48	19.86	1,272.82	1.56	1,274.38	1,471.96
On Sale/Adjustments	--	10.22	--	--	--	12.17	22.39	--	22.39	0.03
Upto 31.3.2019	--	3,466.28	247.01	8,776.65	851.12	362.60	13,703.67	31.90	13,735.56	12,483.58
NET VALUE										
As at 31.3.2019	1,291.71	4,278.24	52.37	15,435.39	244.32	39.20	21,341.21	6.73	21,347.96	21,091.43

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
NON CURRENT ASSETS		
4. CAPITAL WORK-IN-PROGRESS		
Building under Construction	**2,740.33**	982.14
Machinery under Errection	**1,246.23**	252.32
Electric Installation under Errection	**24.74**	2.25
Furniture/Fixtures under Construction	**1.64**	3.51
Advance against Capital Goods	**2,604.70**	168.48
Pre-operative Expenses	**143.52**	17.20
	6,761.16	1,425.90
5. INVESTMENT PROPERTY		
Land	**1,592.67**	1,585.95
Advances against Purchase of Property	**436.70**	516.70
	2,029.37	2,102.65

Market Value of Investment Property ₹ 2,241.25 lacs (P.Y. ₹ 2,321.25 lacs)

FINANCIAL ASSETS

6.	**INVESTMENTS**		
	INVESTMENT IN EQUITY INSTRUMENTS		
	UN-QUOTED FULLY PAID (AT COST)		
	UNSUBSIDIARIES :		
(i)	The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value ₹ 10/- each	**20.90**	20.90
(ii)	Sukhjit Mega Food Park & Infra Ltd. 3010500 Shares (Prev. Year 3010500 shares) of face value ₹ 10/- each	**1,204.20**	1,204.20
(iii)	Scott Industries Limited 4400000 shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	**440.00**	440.00
		1,665.10	1,665.10
	INVESTMENT IN EQUITY INSTRUMENTS		
	UN-QUOTED FULLY PAID UP (OTHERS)		
	INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
	National Saving Certificate	**0.08**	0.08
	Membership (Investment) - The Country Club	**0.65**	0.65
	INVESTMENT (AT FAIR VALUE)		
	INVESTMENT IN DEBENTURES / BONDS / QUOTED		
	Tata Capital Ltd. 20 Non-Convertible Secured Debentures (Prev. Year 20 deb.)	**100.53**	102.04
		1,766.36	1,767.87

Aggregate Amount of Unquoted Investments - ₹ 1,665.83 lacs (P.Y. ₹ 1,665.83 lacs)
Aggregate Amount of Quoted Investments - ₹ 100.53 lacs (P.Y. ₹ 102.03 lacs)

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
7.	**OTHER NON CURRENT ASSETS**		
	Unsecured - Considered Good		
	Security / Other Deposits	**249.79**	241.99
		249.79	241.99
	CURRENT ASSETS		
8.	**INVENTORIES**		
	Raw Materials Basic (at cost or net realisable value whichever is lower)	**1,740.70**	5,370.81
	Stock in Process (at cost or net realisable value whichever is lower)	**584.31**	751.47
	Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	**1,112.98**	1,329.38
	Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	**1,866.82**	1,742.19
	Loose Tools (at cost or net realisable value whichever is lower)	**19.55**	16.82
		5,324.36	9,210.67
	FINANCIAL ASSETS		
9.	**INVESTMENTS**		
	INVESTMENT (AT FAIR VALUE)		
	INVESTMENT IN UNITS OF MUTUAL FUNDS		
	UNQUOTED :		
(i)	Baroda Short Term Bond Fund	**1,106.85**	–
	5371040.968 units (Prev. Year Nil units)		
(ii)	HDFC Banking and PSU Debt Fund	**1,929.24**	–
	12661389.651 units (Prev. Year Nil units)		
(iii)	HDFC Ultra Short Term Fund	**1,627.26**	–
	15535617.090 units (Prev. Year Nil units)		
(iv)	HDFC Credit Risk Debt Fund	**1,177.15**	–
	7394777.650 units (Prev. Year Nil units)		
(v)	Baroda Pioneer Liquid Fund	**937.07**	803.62
	44216.579 units (Prev. Year 40396.440 units)		
(vi)	UTI Credit Risk Fund	**338.06**	320.29
	2021113.903 units (Prev. Year 2021113.903 units)		
(vii)	HDFC Regular Saving Fund	–	1,850.80
	Nil units (Prev. Year 5374923.780 units)		

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
(viii)	SBI Credit Risk Fund 406226.642 units (Prev. Year 850414.445 units)	**121.33**	237.54
(ix)	UTI Floating Rate Fund Nil units (Prev. Year 38276.151 units)	**–**	1,081.51
		7,236.95	4,293.75
	INVESTMENT IN BONDS/DEBENTURES QUOTED (AT COST) :		
(i)	National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds)	**25.80**	26.31
(ii)	Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.)	**309.68**	317.61
		335.48	343.92
		7,572.43	4,637.67

Aggregate Amount of Unquoted Investments - ₹ 7,236.95 lacs (P.Y. ₹ 4,293.75 lacs)
Aggregate Amount of Quoted Investments - ₹ 335.48 lacs (P.Y. ₹ 343.92 lacs)

10. TRADE RECEIVABLES

UNSECURED		
Considered Good	**6,082.46**	6,959.01
Considered Doubtful	**109.89**	119.38
	6,192.35	7,078.39
Less : Provision for Doubtful debts	**110.35**	55.40
	6,082.00	7,022.99

11. CASH AND CASH EQUIVALENTS

Cash in Hand	**27.04**	14.93
Balance with Scheduled Banks in -		
Current Accounts	**184.48**	52.75
	211.52	67.68

12. BANK BALANCES

Balance with Scheduled Banks in		
Unclaimed Divident Accounts	**94.14**	76.95
Margin Money Accounts (*)	**155.34**	52.87
Fixed Deposit Accounts (**)	**620.15**	560.00
	869.63	689.82

(*) Include Balances of ₹ 75.80 lacs (P.Y. ₹ 12.87 lacs) with the maturity of more than one year.
(**) Include Balances of ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) with the maturity of more than one year.

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
13. OTHER FINANCIAL ASSETS		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good	**367.71**	660.18
Advances to Subsidiaries	**384.20**	286.08
Other Advances	**126.78**	132.78
	878.69	1,079.04

(*) Include ₹ 12.83 lacs (P.Y. ₹ 14.00 lacs) as Advances to Sundry Supplieres for purcahse of materials.

14. INCOME TAX ASSETS (NET)		
Income Tax in advance	**–**	2,495.57
Less : Provision for Tax	**–**	2,144.06
	–	351.51
15. OTHER CURRENT ASSETS		
Prepaid Expenses	**77.74**	57.11
Interest & Other recoverables	**110.67**	914.36
	188.41	971.47

EQUITY

16. EQUITY SHARE CAPITAL		
Authorised		
150,00,000 Equity Shares of Rs. 10/- each	**1,500.00**	1,000.00
Issued, Subscribed & Paid up	**1,475.96**	737.98
14759640 Equity Shares of Rs. 10/- each fully paid up including 7379820 Equity shares of Rs. 10/- each allocated as Bonus Shares by Capitalisation of Reserves during the year.	**1,475.96**	737.98

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2019		As on 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	11,66,466	7.90	5,74,033	7.78
Sh. Kuldip Krishan Sardana	12,88,900	8.73	6,28,450	8.52
Sh. Dhiraj Sardana	8,72,662	5.91	4,24,578	5.75
Sh. Bhavdeep Sardana	8,67,282	5.88	4,17,442	5.66
Sh. Puneet Sardana	8,65,316	5.86	4,21,833	5.72
Sh. Pankaj Sardana	8,68,694	5.89	4,21,264	5.71

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
17. OTHER EQUITY		
RESERVES & SURPLUS		
A. CAPITAL SUBSIDY	**417.67**	417.67
B. SECURITY PREMIUM	**–**	87.14
C. GENERAL RESERVE		
Opening Balance	**22,397.19**	20,897.19
Less : Utilized for issue of Bonus Issue	**650.84**	–
Add : Transferred from Profit & Loss Account	**2,500.00**	1,500.00
	24,246.35	22,397.19
D. PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	**2,138.81**	1,780.33
Add : Profit for the year	**4,167.81**	2,302.60
	6,306.62	4,082.93
Less : Appropriations/Payments :		
(a) Interim Dividend	**479.69**	–
(b) Final Dividend	**553.49**	368.99
(c) Corporate tax on dividend	**212.37**	75.12
(d) Transferred to General Reserve	**2,500.00**	1,500.00
Surplus Carried Forward	**2,561.07**	2,138.82
E. OTHER COMPREHENSIVE INCOME		
Opening balance	**114.24**	175.36
(a) Remeasurement of defined employee benefit plans	**(8.52)**	17.33
(b) Net change in fair value of investments other than equity	**158.32**	67.59
(c) Item reclassified to P & L	**(66.36)**	(146.04)
	197.68	114.24
	27,422.78	25,155.06

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
LIABILITIES		
NON CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
18. BORROWINGS		
SECURED LOANS -		
Term Loan from HDFC Bank Ltd. Secured aginst Equitable Mortogage of land measuring 7.33 acres at Malda	–	50.00
Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and colleterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortage of land and building of Gurplah Unit (The Term Loan is repayable in fifteen equal quarterly installments. First Installment due from May 2020.)	**3,344.00**	–
UNSECURED LOANS		
Fixed Deposits (includes Rs. 3,30,45,000/- from Directors, previous year Rs. 3,34,72,000/-) (Maturity Period Ranging from 1 to 3 years)	**5,430.40**	5,051.06
	8,774.40	5,101.06
19. DEFERRED TAX LIABILITIES (NET)		
As per Last Balance Sheet	**2,829.25**	2,581.59
Add : Tax effect on OCI	**39.83**	(32.35)
Add : Provision for the year on account of timing difference arising on depreciation as per Income Tax Act & Companies Act and on account of others provisions	**290.00**	280.00
	3,159.08	2,829.24
20. OTHER NON CURRENT LIABILITIES		
Security Deposits	**342.54**	167.61
Provision	**400.00**	400.00
Deferred Income - Govt. Grant(s)	**86.00**	90.00
Other Long Term Liabilities	**1,092.81**	1,186.00
	1,921.35	1,843.61

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
21. BORROWINGS		
SECURED		
Cash Credit limits from Banks		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	**3,059.91**	8,555.68
(ii) Secured against Book Debts	**799.75**	1,481.10
UNSECURED		
Short Term Borrowings from Bank	**2,500.00**	–
	6,359.66	10,036.78
22. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	**150.34**	186.76
(ii) Others	**1,077.33**	1,848.46
Sundry creditors for Expenses	**1,168.06**	1,178.34
Other Creditors (**)	**502.41**	447.70
	2,898.14	3,661.26

(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil)

(**) Include ₹ 197.80 lacs (P.Y. ₹ 164.78 lacs) as advance from Sundry Customers for supply of Goods.

23. INCOME TAX LIABILITY (NET)		
Provision for Tax	**4,284.06**	–
Less : Income Tax in advance	**4,191.32**	–
	92.74	–
24. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	**–**	200.00
Unclaimed Dividends	**94.14**	76.95
Taxes payable	**730.23**	725.40
Interest accrued but not due on Fixed Deposits	**353.18**	293.35
	1,177.55	1,295.70

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

			AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
25.	**REVENUE FROM OPERATIONS**			
(i)	Sales :			
	Starches		**26,786.46**	24,802.44
	Dextrines & Textilose		**2,416.17**	2,422.17
	Glucose		**23,233.27**	23,673.43
	Sorbitol		**4,131.53**	4,110.25
	By-products		**16,718.35**	15,326.56
	Misc. Sales		**799.25**	496.93
			74,085.03	70,831.78
(ii)	Less : Excise Duty		**–**	761.28
	Net Sales (i-ii)		**74,085.03**	70,070.50
26.	**OTHER INCOME**			
	Interest Received		**115.29**	136.82
	Other Income (*)		**18.87**	51.41
	Profit/(Loss) on sale of Assets/Units		**96.12**	304.81
			230.28	493.04

(*) Include Rent Received of ₹ 10.99 lacs (P.Y. ₹ 11.11 lacs) & Net Agriculture Income of ₹ Nil (P.Y. ₹ 4.46 lacs)

27.	**COST OF MATERIALS CONSUMED**			
	Opening Stock of Basic Raw Material	5,370.81		1,777.18
	Purchase of Basic Raw Material	39,586.26		47,850.35
		44,957.07		49,627.53
	Less : Closing Stock of Basic Raw Material	1,740.70		5,370.81
	Effective Consumption of Basic Raw Material		**43,216.37**	44,256.72
	Other Raw Materials, Consumables & Stores		**4,200.54**	3,952.41
			47,416.91	48,209.13
28.	**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**			
	Opening Stock of Finished Goods	1,329.38		1,248.57
	Opening Stock of Work in Progress	751.47		941.59
			2,080.85	2,190.16
	Closing Stock of Finished Goods	1,112.98		1,329.38
	Closing Stock of Work in Progress	584.31		751.47
			1,697.29	2,080.85
	Change in Inventories		**383.56**	109.31
29.	**EMPLOYEE BENEFIT EXPENSE**			
	Wages & Salaries		**3,901.60**	3,692.54
	Cont. to PF, ESI, Superannuation & Other Funds		**288.37**	266.93
	Workmen & Staff Welfare		**180.00**	165.75
			4,369.97	4,125.22

NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		FOR THE YEAR ENDED 31.3.2019 (₹ LACS)	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)
30. FINANCIAL COSTS			
Interest Expense		**1,595.79**	1697.24
Other Borrowings Cost/Bank Charges		**32.35**	56.39
		1,628.14	1,753.63
31. OTHER EXPENSES			
MANUFACTURING EXPENSES :			
Power and Fuel & others	9,009.32		7,780.68
Machinery Repair	402.77		342.84
Building Repair	128.23		98.10
		9,540.32	8,221.62
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :			
Printing & Stationery	16.27		15.61
Professional/Legal Expenses	52.99		36.43
Directors' Fee	1.92		2.17
Travelling Expenses	147.76		150.38
Auditors' Remuneration	6.22		6.23
Rent Paid	40.02		37.10
Electricity & Water Charges	35.30		38.78
Entertainment	3.47		4.73
Postage, Telegram & Telephones	27.80		28.26
Advertisement	12.98		13.57
Subscription	26.08		29.68
General Charges	8.24		9.08
Insurance Expenses	54.74		49.67
Other Repairs & Maintenance	77.79		55.73
Commission & Brokerage	544.97		579.78
Provision for Doubtful detbs	54.94		–
Other Govt. Taxes, Levies & Fees	48.88		39.98
Rebate & Discount	3.83		9.87
Directors' Commission	130.07		74.30
Charity & Donation	81.56		73.06
Provision for Investment	–		400.00
Carriage & Forwarding Charges	1,728.36		1,400.65
		3,104.19	3,055.06
		12,644.51	11,276.68

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
   (i) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹ 844.25 lacs (Previous Year ₹ 314.33 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee of ₹ 40 crores to Yes Bank Ltd for availing the Term Loan by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.
   (ii) **Central Excise Duty :** Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.96 Crores. The amount mainly includes as under :
   - ₹28.93 Crores as disputed Central Excise Duty (excluding penalty &interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account.
   - Other items related to a demand of ₹ 1.64 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
   - ₹ 2.39 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd.,Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.

   (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 58.50 Crores (Previous year ₹ 3.25 Crores)
   (iv) Export obligation pending to be fulfilled is Nil (Previous year US$ 4.90 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US$ 11.70 lacs during the year under reference (Previous year US$ 25.21 lacs).
3. National saving certificates of ₹ 0.08 lacs (Previous year ₹ 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include ₹ 384.20 lacs (Previous year ₹ 235.16 lacs) due from the subsidiary companies.
5. **Earnings per share :**

	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	**4,167.84**	2,302.62
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	**1,47,59,640**	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	**28.24**	15.60*
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	**28.24**	15.60*

* The previous period EPS has been calculated w.r.t current share capital increased by issue of Bonus Shares in the ratio of 1:1 during March, 2019, to make it comparable with current year figure.

6. **Related Party Disclosures :**
   (a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

(i) The Vijoy Steel & General Mills Co. Ltd.	:	Subsidiary
(ii) Scott Industries Ltd.	:	Subsidiary
(iii) Sukhjit Mega Food Park & Infra Ltd.	:	Subsidiary

KEY MANAGEMENT PERSONNEL

(i) Mr. I.K. Sardana
(ii) Mr. K.K. Sardana
(iii) Mr. M.G. Sharma
(iv) Mr. Aman Setia

(b) Transactions with Related Parties in the ordinary course of business :
(Figures in brackets are of previous year)

(Amount ₹ in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	7.12 (Nil)		24.00 (24.00)	31.12 (24.00)
Remuneration		358.00 (309.37)	237.15 (214.11)	595.15 (523.48)
On account of sales	0.70 (Nil)			0.70 (Nil)
On account of Purchases	131.66 (17.34)			131.66 (17.34)
Rent received	0.06 (0.66)			0.06 (0.66)

		2018-19	2017-18
7.	(a) **Managerial Remuneration** paid/payable to the Executive Directors :	**(₹ Lacs)**	(₹ Lacs)
	(i) Salaries	**207.22**	195.18
	(ii) Commission	**65.04**	37.14
	(iii) Contribution to retirement benefit funds	**15.51**	14.68
	(iv) Perquisites	**39.65**	34.44

(b) **Computation of Net Profit u/s 198 of the Companies Act, 2013** for Payment of Commission to Directors :

	2018-19	2017-18
	(₹ Lacs)	(₹ Lacs)
Net Profit as per Profit & Loss Account	**6,597.81**	3,617.16
Add : Commission to Directors	**130.07**	74.29
Directors Sitting Fee	**1.92**	2.07
	6,729.80	3,693.52
Less : Profit on sale of Assets/Shares	**(96.12)**	(304.81)
Balance :	**6,633.68**	3,388.71
Commission @ 1% on Net Profits to Directors	**65.03**	37.15
Commission @ 1% on Net Profits to Mg. Director and Jt. Mg. Director	**65.04**	37.14
Net Profit (as per Section 198)	**6,503.61**	3,314.42

NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		2018-19 (₹ Lacs)	2017-18 (₹ Lacs)
8.	**AUDITORS' REMUNERATION INCLUDES :**		
	Audit Fee (Inc Cost Audit fee)	**5.80**	5.80
	Tax Audit Fee	**0.42**	0.42
9.	**EARNINGS IN FOREIGN EXCHANGE**		
	(i) Export of goods on a F.O.B. basis	**802.14**	1,636.14
10.	**VALUE OF IMPORTS ON C.I.F. BASIS**		
	(excluding canalised items)		
	(i) Components/Spare Parts/Consumables	**37.11**	49.93
	(ii) Capital Goods	**27.45**	124.02
12.	**EXPENDITURE IN FOREIGN CURRENCY**		
	Remittance in foreign currency on Foreign Travel	**3.88**	1.32
13.	**VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION**		
	(i) Raw Materials :		
	(a) Imported	**–**	–
	(excluding canalised items)	**–**	–
	(b) Indigenous	**43,216.37**	44,256.72
		(100%)	(100%)
	(ii) Spare & Components :		
	(a) Imported	**35.71**	22.27
		(9.02)	(6.86%)
	(b) Indigenous	**359.98**	302.44
		(90.98%)	(93.14%)

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

INDEPENDENT AUDITORS' REPORT

To,
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached Consolidated financial statements of The Sukhjit Starch & Chemicals Limited(the Company)as at March 31, 2019, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Statement of Changes in Equity and the Consolidated Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management 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 financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), changes in Equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the

INDEPENDENT AUDITORS' REPORT

operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

  We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

  From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are

INDEPENDENT AUDITORS' REPORT

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OPINION

In our opinion and to the best of our information and according to explanations given to us, the aforesaid consolidated financial statements, read together with significant accounting policies and notes forming part of accounts, give the information required by the companies Act, 2013 in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India :

(i) In case of consolidated balance sheet, of the state of the affairs of the company as at 31st March 2019.

(ii) In case of consolidated profit and loss Accounts, of the profit of the company for the year ended on the date.

(iii) In case of changes in Equity, of the changes in equity for the year ended on that date.

(iv) In the case of consolidated cash flow statement, of the cash flow for the year ended on that date.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets and Revenue from operations as follows as on 31st March, 2019.

Subsidiary Company	Total Assets (in Lacs)	Revenue from Operations (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	91.56	70.60
Scott Industries Ltd.	130.60	–
Sukhjit Mega Food Park & Infra Ltd.	7,862.03	195.43

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Indian Accounting Standard 110-Consolidated Financial Statements issued by the ICAI and on the basis of the separate audited financial statements of the Sukhjit Starch & Chemicals Limited and its subsidiaries included in the Consolidated Financial Statements.

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;

   (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 Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, the change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITORS' REPORT

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, 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 Company and the operating effectiveness of such controls, refer to our specific report in 'Annexure A' and

(g) With respect to the other matters to be included in the Auditor's 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 financial position in its consolidated financial statements as referred to in note to the consolidated financial statements.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)
Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara
Dated : 25th May, 2019

ANNEXURE A TO THE AUDITOR'S REPORT

Report on the Internal Financial Controls Over Financial Reporting 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 The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the consolidated 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

INDEPENDENT AUDITORS' REPORT

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.

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') issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 were 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 judgement, 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 is sufficient and appropriate to providea 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 (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 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INDEPENDENT AUDITORS' REPORT

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, to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, 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 March 31, 2019, 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 VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)
Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara
Dated : 25th May, 2019

ANNEXURE B TO THE AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the standalone financial statements for the year ended 31st March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.

INDEPENDENT AUDITORS' REPORT

(iii) In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) Paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of rate of Interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act.

(b) Paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

(c) Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.

(vi) The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Employees' State Insurance Income Tax, Sales Tax, Service Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance Income Tax, Sales Tax, Service Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.96 Crores. The amount mainly includes as under :

- ₹28.93 Crores as disputed Central Excise Duty (excluding penalty &interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing

INDEPENDENT AUDITORS' REPORT

Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account.

- Other items related to a demand of ₹ 1.64 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
- ₹ 2.39 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd.,Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company does not have any borrowings from debenture holders.

(ix) The term loans have been applied for the purpose for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)
Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087

Place : Phagwara
Dated : 25th May, 2019

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2019

	NOTE	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	**22,279.36**	21,109.51
(b) Capital Work-in-progress	4	**12,783.08**	3,230.74
(c) Investment Property	5	**2,079.65**	2,146.65
(d) Other Intagible Assets	3	**6.87**	4.36
(e) Financial Assets			
(i) Investments	6	**101.26**	102.77
(f) Other Non Current Assets	7	**256.83**	245.60
		37,507.05	26,839.63
2. CURRENT ASSETS			
(a) Inventories	8	**5,366.56**	9,245.26
(b) Financial Assets			
(i) Investments	9	**7,572.44**	4,637.67
(ii) Trade Receivables	10	**6,168.78**	7,126.50
(iii) Cash & Cash Equivalents	11	**720.54**	1,099.61
(iv) Bank Balance other than	12	**869.63**	689.82
(v) Other Financial Assets	13	**860.55**	806.22
(c) Income Tax Asset (net)	14	**-**	351.51
(d) Other Current Assets	15	**191.30**	971.46
		21,749.80	24,928.05
	TOTAL	**59,256.85**	51,767.68
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	**1,475.96**	737.98
(b) Other Equity	17	**26,807.54**	24,589.14
(c) Minority Interest		**0.49**	0.45
		28,283.99	25,327.57
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	**12,274.40**	5,301.06
(b) Deferred Tax Liabilities (net)	19	**3,157.56**	2,812.38
(c) Other Non Current Liabilities	20	**4,715.61**	3,312.33
		20,147.57	11,425.77
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	**6,359.66**	10,036.78
(ii) Trade Payable	22	**3,184.04**	3,679.47
(b) Income Tax Liability (net)	23	**92.74**	-
(c) Other Current Liabilities	24	**1,188.85**	1,298.09
		10,825.29	15,014.34
	TOTAL	**59,256.85**	51,767.68

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	PARTICULARS	NOTE		FOR THE YEAR ENDED 31.3.2019 (₹ LACS)	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)
1.	Revenue From Operations	25		**74,111.39**	70,871.98
2.	Other Income	26		**330.40**	548.78
3.	**Total Revenue**			**74,441.79**	71,420.76
4.	Expenses :				
	Cost of Materials Consumed	27		**47,367.78**	48,225.38
	Change in Inventories of Finished Goods, Stock in Trade & Work in Progress	28		**368.22**	114.61
	Employee Benefits Expense	29		**4,469.68**	4,171.82
	Finance Costs	30		**1,632.42**	1,755.65
	Excise Duty	25		**–**	761.28
	Depreciation and Amortisation Exp.	3		**1,287.86**	1,474.58
	Other Expenses	31		**12,751.99**	11,335.71
	Total Expenses			**67,877.95**	67,839.02
5.	**Profit Before Tax (3-4)**			**6,563.84**	3,581.74
6.	Tax Expense :				
	- Current Tax		2,140.00		1,035.00
	- Deferred Tax		305.35		279.99
				2,445.35	1,314.99
7.	**Profit for the period (5-6)**			**4,118.49**	2,266.75
8.	Add/(Less) Minority Interest			**(0.04)**	0.27
9.	Profit for the period (9+12)			**4,118.44**	2,267.02
10.	**Other Comprehensive Income**				
	(A) Items that will not be reclassified to Profit or Loss				
	(a) Remeasurement of defined employee benefit plans			**(14.26)**	26.50
	(b) Income tax relating to items that will not be reclassified to Profit or Loss			**4.98**	(9.17)
	(B) Items that will be reclassified to Profit or Loss				
	(a) Net change in fair value of investment other than equity			**243.36**	103.36
	(b) Income tax relating to items that will be reclassified to Profit & Loss			**(85.04)**	(35.77)
11.	Total Comprehensive Income for the Period (13+14) (Comprising Profit and other Comprehensive Income for the period)			**4,267.48**	2,351.94
12.	**Earning per equity share :**				
	(a) Basic			**27.90**	15.36 (*)
	(b) Diluted			**27.90**	15.36 (*)

(*) The previous period EPS has been calculated w.r.t. the current share capital increased by issue of bonus shares in the ratio of 1:1 during March, 2019, to make it comparable with the current year figure.

M.G. SHARMA
Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

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Mg. Director

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Sd/-
(Amit Chadha)
Partner
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Firm Reg. No. 018705N
Place : Phagwara
Dated : 25th May, 2019

DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Subsidy	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2018						
Balance at the beginning of the reporting period i.e. 1st April, 2017	418.95	87.14	20,897.19	1,248.98	175.36	22,827.62
Profit for the year				2,266.75		2,266.75
Other Comprehensive Income					84.92	84.92
Dividends				(368.99)		(368.99)
Tax on dividend				(75.12)		(75.12)
Transfer to General Reserve			1,500.00	(1,500.00)		
OCI reclassified to P&L					(146.04)	(146.04)
Balance at the end of the reporting period i.e. 31st March, 2018	**418.95**	**87.14**	**22,397.19**	**1,571.62**	**114.24**	**24,589.14**
AS ON 31 MARCH 2019						
Balance at the beginning of the reporting period i.e. 1st April, 2018	418.95	87.14	22,397.19	1,571.62	114.24	24,589.14
Profit for the year				4,118.49		4,118.49
Other Comprehensive Income					149.80	149.80
Dividends				(1,033.18)		(1,033.18)
Tax on dividend				(212.37)		(212.37)
Transfer to General Reserve			2,500.00	(2,500.00)		--
Utilized for issue of Bonus Shares		(87.14)	(650.84)			(737.98)
OCI reclassified to P&L					(66.36)	(66.36)
Balance at the end of the reporting period i.e. 31st March, 2019	**418.95**	**--**	**24,246.35**	**1,944.56**	**197.68**	**26,807.54**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

	For the Year Ended 31st March, 2019 (₹ Lacs)		For the Year Ended 31st March, 2018 (₹ Lacs)	
FLOWS FROM OPERATING ACTIVITIES				
Net Profit before tax	**6563.84**		3,581.74	
ADJUSTMENTS FOR NON-CASH ITEMS				
Depreciation	**1287.86**		1,474.58	
Provision	**75.58**		428.22	
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES				
Interest received	**(115.36)**		(136.82)	
Apportionment of Deferred Income	**(98.28)**		(50.00)	
Interest paid	**1,600.01**		1,697.24	
(Profit) Loss on sale of investments/assets	**(96.12)**		(304.81)	
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	**9,217.53**		6,690.15	
CHANGES IN WORKING CAPITAL				
Trade and other receivables	**1,612.29**		(2,162.42)	
Inventories	**3,878.70**		(3,776.99)	
Trade Payables	**(495.45)**		531.27	
Other Liabilities	**59.83**		553.19	
NET FLOWS FROM OPERATING ACTIVITIES	**14,272.90**		1835.20	
Net Direct Taxes Paid	**(1,689.10)**		(718.90)	
NET FLOWS FROM OPERATING ACTIVITIES		**12,583.81**		1,116.30
FLOWS FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	**(12,025.04)**		(3,252.43)	
Sale of Fixed Assets	**108.59**		305.09	
Acquistion of Minority Interest	**0.04**		(0.27)	
Other Investments	**(2,755.16)**		(1,493.12)	
Interest received	**115.36**		136.82	
NET FLOWS FROM INVESTING ACTIVITIES		**(14,556.21)**		(4,303.91)
FLOWS FROM FINANCING ACTIVITIES				
Loans raised for working capital	**(3,677.12)**		4,309.59	
Term Loans raised	**6,644.00**		200.00	
Repayment of Term Loan	**(250.00)**		(200.00)	
Other Loans raised	**484.60**		576.83	
Goverment Grants	**1,400.01**		1,500.00	
Dividends paid (including DDT)	**(1,228.35)**		(443.43)	
Interest paid	**(1,600.01)**		1,697.24	
NET FLOWS FROM FINANCING ACTIVITIES		**1,773.13**		4,245.75
Net Cash Flows during the year		**(199.26)**		1,058.14
Cash & cash equivalents at the beginning of the year		**1,789.43**		731.29
Cash & cash equivalents at the end of the year		**1,590.17**		1,789.43

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Place : Phagwara
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DIRECTORS
RANBIR SINGH SEEHRA
VP KAPAHI

NOTES

Forming part of the consolidated financial statements for the year ended 31st March, 2019.

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of The Sukhjit Starch & Chemicals Limited ('The Parent Company') and its subsidiaries (Collectively, the group). The parent company is Public Limited Company incorporated and domiciled in India. The address of its registered office is Sarai Road, Phagwara - 144401.

The parent company is an Agro-Processing Industry manufacturing starch & its derivatives i.e Liquid Glucose, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol, Modified Starches and by-products. The company has emerged as one of the largest manufacturers of the Starch and its derivatives in India having multi-locational manufacturing units atPhagwara (Punjab), Nizamabad (Telangana), Malda (West Bengal) and Gurplah (Himachal Pradesh).

The Parent Company is listed on Bombay Stock Exchange Ltd. (BSE). The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors on 25.05.2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements are the consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015.

(b) Basis of preparation of Consolidated Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended form time to time and rules & guidelines issued by SEBI as applicable.

(c) Property, Plant and Equipment

These are tangible assets held for use in production, supply of goods or services or for administrative purposes. These are recognized and carried under cost model i.e. cost less accumulated depreciation and impairment loss, if any which is akin to recognition criteria under erstwhile GAAP.

(i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.

(ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013.

Buildings - 3 to 60 years

Plant and Machinery - 5 to 25 years

Office equipment - 5 to 10 years

Vehicles - 8 to 10 years

(iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.

(d) Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any and are amortised as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.

(e) Investments

To comply with the requirements of Ind AS 109, the company has elected during its first time adoption of IND AS to present gains or losses on investment in equity securities / mutual funds held at the end of the financial year at fair value through other comprehensive income (FVTOCI). However, any gains or losses on sale of investment during the year are charged in profit and loss account.

(f) Investment Property

On transition to Ind AS, Company has elected to continue with the carrying value of all the investment properties as per previous GAAP and use that carrying value as deemed cost of investment properties. However, a disclosure of market value of such investment properties have been mentioned in the notes to accounts.

(g) 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. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.

(h) Inventories

Raw Material, stores & spares, packing material, components, stock in process, finished goods and goods held for resale are valued at lower of cost and net realisable value. By-products are valued at their net realisable value. The costs are, in general, determined on a weighted average basis. Due allowance is made for obsolete items, if any.

(i) Cash and Cash Equivalents

Cash and Cash equivalents comprise of cash in hand, cheque in hand and balances of current accounts with banks.

(j) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed considering the provisions of the Income Tax Act, 1961. Deferred tax is provided using balance sheet approach on temporary differences at the reporting date as difference between the tax base and the carrying amount of assets and liabilities. Deferred tax is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income.

(k) Lease assets

Leases in which a significant portion of risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit & loss account on accrued basis.

(l) Use of Estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(m) Recognition of Income and Expenses

(i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized is net of GST, net of rebate & discount but include excise duty where applicable.

(ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

(iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.

(v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

(n) Government subsidy / Grants

Government Grants are recognized only when there is a reasonable assurance that the entity will comply with the conditions attaching to them and the grants will be received.

(i) Subsidy/ Grants related to assets are presented in balance sheet as 'Deferred Income' which is recognized in the statement of profit & loss under the head 'other income' on a systematic basis over the useful life of the assets i.e. period ranging from 25 to 30 years.

(ii) Subsidy / Grants related to expenses are treated in statement of profit & loss under the head for which the grants are intended to compensate.

(o) Employee Benefits

(i) Short term employee benefits are charged to the profit & loss account of the year in which the employee renders services. These benefits include Annual leave encashment, Ex-gratia etc.

(ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.

(iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust and charged to the profit and loss account / other comprehensive income of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis

(p) Research and Development Expenditure

Revenue expenditure on research and development are charged off as and when incurred. However, the capital expenditure is considered as part of the fixed assets and depreciation on the same basis as other fixed assets.

(q) Foreign Currency Transaction

The company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or the exchange rates prevailing at the end of the accounting year.

Any income or expenditure on account of exchange difference (on transaction) is recognized in the profit and loss account except Long term liabilities relating to acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the assets.

(r) Impairment

Impairment loss, if any, is provided, by making provision in the books of accounts, to the extent carrying cost of an asset exceeds its realizable value.

(s) Borrowing Cost

Borrowings cost related to specific borrowings for acquisition / construction / errection of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use.

Borrowing cost related to general borrowings for acquisition /construction /errection of a qualifying asset are capitalized as a part of the cost by applying a capitalization rate as per IND-AS 23.

(t) Provisions, Contingent Liability and Contingent Assets

Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal / court for which no reliable estimate can be made and / or involves uncertainty of the outcome of the amount of the obligation are not provided for in accounts but disclosed in notes to accounts.

(u) Earnings Per Share

For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares (if any).

FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2019

NOTE : 3

Amount (₹ Lacs)

ASSETS	TANGIBLE ASSETS							INTANGIBLE ASSETS		
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL ASSTS	PREVIOUS YEAR
COST										
Cost as on 1.4.2018	1,284.23	7,221.02	289.56	23,353.73	1,094.93	406.87	33,650.34	34.74	33,685.08	32,227.82
Additions	167.60	1,304.66	10.53	913.06	49.32	23.46	2,468.62	4.07	2,472.69	1,457.57
Sale/Adjustments	--	18.79	--	--	--	16.06	34.85	--	34.85	0.31
Total as on 31.3.2019	1,451.83	8,506.89	300.09	24,266.79	1,144.25	414.27	36,084.11	38.81	36,122.92	33,685.08
DEPRECIATION										
Upto 31.3.2018	--	3,143.11	229.85	7,983.53	829.44	354.91	12,540.83	30.38	12,571.21	11,096.66
For the Year	--	347.60	18.05	834.41	65.41	20.84	1,286.30	1.56	1,287.86	1,474.58
On Sale/Adjustments	--	10.22	--	--	--	12.17	22.38	--	22.38	0.03
Upto 31.3.2019	--	3,480.49	247.90	8,817.94	894.85	363.58	13,804.75	31.94	13,836.69	12,571.21
NET VALUE										
As at 31.3.2019	1,451.83	5,026.40	52.19	15,448.86	249.40	50.69	22,279.36	6.87	22,286.23	21,113.87

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
NON CURRENT ASSETS		
4. CAPITAL WORK-IN-PROGRESS		
Building under consturction	**4,602.36**	1,463.26
Machinery under Errection	**3,605.44**	442.07
Electric Installation under Errection	**316.14**	2.25
Advances for Work in progress	**4,121.09**	1,123.60
Furniture/Fixtures under Construction	**1.64**	3.51
Pre-operative Expenses	**136.41**	196.05
	12,783.08	3,230.74
5. INVESTMENT PROPERTY		
Land	**1,636.67**	1,629.95
Advances against Purchase of Property	**442.98**	516.70
	2,079.65	2,146.65
Market Value of Investment Property ₹ 2,241.25 lacs (P.Y. ₹ 2,321.25 lacs)		
FINANCIAL ASSETS		
6. INVESTMENTS		
INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID UP - OTHERS		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	**0.08**	0.08
Membership (Investment) - The Country Club	**0.65**	0.65
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN DEBENTURES / BONDS		
(QUOTED)		
(i) Tata Capital Ltd. 20 Non-Convertible Secured Debentures (Prev. Year 20 deb.)	**100.53**	102.04
	101.26	102.77
Aggregate Amount of Unquoted Investments - ₹ 0.73 lacs (P.Y. ₹ 0.73 lacs)		
Aggregate Amount of Quoted Investments - ₹ 100.53 lacs (P.Y. ₹ 102.04 lacs)		
7. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security / Other Deposits	**256.83**	245.60
	256.83	245.60

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
CURRENT ASSETS		
8. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	**1,745.20**	5,381.41
Stock in Process (at cost or net realisable value whichever is lower)	**618.27**	751.47
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	**1,121.79**	1,356.81
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	**1,861.75**	1,738.75
Loose Tools (at cost or net realisable value whichever is lower)	**19.55**	16.82
	5,366.56	9,245.26
FINANCIAL ASSETS		
9. INVESTMENTS		
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED :		
(i) Baroda Short Term Bond Fund	**1,106.85**	–
5371040.968 units (Prev. Year Nil units)		
(ii) HDFC Banking and PSU Debt Fund	**1,929.24**	–
12661389.651 units (Prev. Year Nil units)		
(iii) HDFC Ultra Short Term Fund	**1,627.26**	–
15535617.090 units (Prev. Year Nil units)		
(iv) HDFC Credit Risk Debt Fund	**1,177.15**	–
7394777.650 units (Prev. Year Nil units)		
(v) Baroda Pioneer Liquid Fund	**937.07**	803.62
44216.579 units (Prev. Year 40396.440 units)		
(vi) UTI Credit Risk Fund	**338.06**	320.29
2021113.903 units (Prev. Year 2021113.903 units)		
(vii) HDFC Regular Saving Fund	–	1,850.80
Nil units (Prev. Year 5374923.780 units)		
(viii) SBI Credit Risk Fund	**121.33**	237.54
406226.642 units (Prev. Year 850414.445 units)		
(ix) UTI Floating Rate Fund	**–**	1,081.51
Nil units (Prev. Year 38276.151 units)		
	7,236.96	4,293.75

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
	INVESTMENT IN BONDS/DEBENTURES		
	QUOTED : (AT COST)		
(i)	National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds)	**25.80**	26.31
(ii)	Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.)	**309.68**	317.61
		335.48	343.92
		7,572.44	4,637.67

Aggregate Amount of Un-Quoted Investments - ₹ 7,236.96 lacs (P.Y. ₹ 4,293.75 lacs)
Aggregate Amount of Quoted Investments - ₹ 335.48 lacs (P.Y. ₹ 343.92 lacs)

10. TRADE RECEIVABLES

UNSECURED		
Considered Good	**6,086.71**	6,959.36
Considered Doubtful	**316.21**	325.70
	6,402.92	7,285.06
Less : Provision for Doubtful debts	**234.14**	158.56
	6,168.78	7126.50

11. CASH AND CASH EQUIVALENTS

Cash in Hand	**27.93**	15.95
Balance with Scheduled Banks in Current Accounts	**692.61**	1,083.66
	720.54	1,099.61

12. BANK BALANCES

Balance with Scheduled Banks in		
Unclaimed Divident Accounts	**94.14**	76.95
Margin Money Accounts (*)	**155.34**	52.87
Fixed Deposit Accounts (**)	**620.15**	560.00
	869.63	689.82

(*) Include Balances of ₹ 75.80 lacs (P.Y. ₹ 12.87 lacs) with the maturity of more than one year.
(**) Include Balances of ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) with the maturity of more than one year.

13. OTHER FINANCIAL ASSETS

Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good	**733.44**	668.72
Other Advances	**127.11**	137.50
	860.55	806.22

(*) Include ₹ 12.83 lacs (P.Y. ₹ 14.00 lacs) as Advances to Sundry Supplieres for purcahse of materials.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
14. INCOME TAX ASSETS (NET)		
Income Tax in advance	–	2,495.57
Less : Provision for Tax	–	2,144.06
	–	351.51
15. OTHER CURRENT ASSETS		
Prepaid Expenses	**80.63**	57.11
Interest & Other recoverables	**110.67**	914.35
	191.30	971.46

EQUITY

16. EQUITY SHARE CAPITAL		
Authorised		
150,00,000 Equity Shares of Rs. 10/- each	**1,500.00**	1,000.00
Issued, Subscribed & Paid up	**1,475.96**	737.98
1,47,59,640 Equity Shares of Rs. 10/- each fully paid up including 73,79,820 Equity shares of Rs. 10/- each allocated as Bonus Shares by Capitalisation of Reserves during the year.	**1,475.96**	737.98

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2019		As on 31st March 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	11,66,466	7.90	5,74,033	7.78
Sh. Kuldip Krishan Sardana	12,88,900	8.73	6,28,450	8.52
Sh. Dhiraj Sardana	8,72,662	5.91	4,24,578	5.75
Sh. Bhavdeep Sardana	8,67,282	5.88	4,17,442	5.66
Sh. Puneet Sardana	8,65,316	5.86	4,21,833	5.72
Sh. Pankaj Sardana	8,68,694	5.89	4,21,264	5.71

17. OTHER EQUITY		
RESERVES & SURPLUS		
A. CAPITAL SUBSIDY	**418.95**	418.95
B. SECURITIES PREMIUM	**–**	87.14
C. GENERAL RESERVE		
Opening Balance	**22,397.19**	20,897.19
Less : Utilized for issue of Bonus Issue	**650.84**	–
Add : Transferred from Profit & Loss Account	**2,500.00**	1,500.00
	24,246.35	22,397.19

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
D. PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	**1,571.62**	1,248.98
Add : Profit for the year	**4,118.49**	2,266.75
	5,690.11	3,515.73
Less : Appropriations/Payments :		
(a) Interim Dividend	**479.69**	–
(b) Final Dividend	**553.49**	368.99
(c) Corporate tax on dividend	**212.37**	75.12
(d) Transferred to General Reserve	**2,500.00**	1,500.00
Surplus Carried Forward	**1,944.56**	1,571.62
E. OTHER COMPREHENSIVE INCOME		
Opening balance	**114.24**	175.36
(a) Remeasurement of defined employee benefit plans	**(8.52)**	17.33
(b) Net change in fair value of investments other than equity	**158.32**	67.59
(c) Item reclassified to P & L	**(66.36)**	(146.04)
	197.68	114.24
	26,807.54	24,589.14

LIABILITIES

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

18. BORROWINGS

SECURED LOANS -		
Term Loan from HDFC Bank Ltd.		
Secured aginst Equitable Mortogage of land measuring 7.33 acres at Malda	–	50.00
Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and colleterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortage of land and building of Gurplah Unit (The Term Loan is repayable in fifteen equal quarterly installments. First Installment due from May 2020.)	**3,344.00**	–

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
SECURED LOANS		
Term Loan From Yes Bank Ltd. (for setting up of Mega Food Park) secured against charge on all current & movable fixed assets of food park	**3,500.00**	200.00
UNSECURED LOANS		
Fixed Deposits (includes Rs. 3,30,45,000/- from Directors, previous year Rs. 3,34,72,000/-) (Maturity Period Ranging from 1 to 3 years)	**5,430.40**	5,051.06
	12,274.40	5,301.06

19. DEFERRED TAX LIABILITIES (NET)

As per Last Balance Sheet	**2,812.38**	2,564.74
Add : Tax effect on OCI	**39.83**	(32.35)
Add : Provision for the year on account of timing difference arising on depreciation as per Income Tax Act & Companies Act and on account of others provisions	**305.35**	279.99
	3,157.56	2,812.38

20. OTHER NON CURRENT LIABILITIES

Security Deposits	**378.21**	179.76
Provision	**406.86**	406.57
Deferred Income - Govt. Grant(s)	**2,837.73**	1,540.00
Other Long Term Liabilities	**1,092.81**	1,186.00
	4,715.61	3,312.33

CURRENT LIABILITIES

FINANCIAL LIABILITIES

21. BORROWINGS

SECURED		
Cash Credit limits from Banks		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	**3,059.91**	8,555.68
(ii) Secured against Book Debts	**799.75**	1,481.10
UNSECURED		
Short Term Borrowings from Bank	**2,500.00**	–
	6,359.66	10,036.78

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

	AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
22. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	**150.34**	186.76
(ii) Others	**1,324.04**	1,855.43
Sundry creditors for Expenses	**1,207.52**	1,189.57
Other Creditors (**)	**502.14**	447.71
	3,184.04	3,679.47

(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil)

(**) Include ₹ 197.80 lacs (P.Y. ₹ 164.78 lacs) as advance from Sundry Customers for supply of Goods.

23. INCOME TAX LIABILITY (NET)		
Provision for Tax	**4,284.06**	–
Less : Income Tax in advance	**4,191.32**	–
	92.74	–
24. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) with in the year	**–**	200.00
Unclaimed Dividends	**94.14**	76.95
Taxes payable	**741.53**	727.79
Interest accrued but not due on Fixed Deposits	**353.18**	293.35
	1,188.85	1,298.09
25. REVENUE FROM OPERATIONS		
Sales	**74,111.39**	70,871.98
Less : Excise Duty	**–**	761.28
Net Sales (i-ii)	**74,111.39**	70,110.70
26. OTHER INCOME		
Interest Received	**115.36**	136.82
Other Income (*)	**118.92**	107.15
Profit/(Loss) on sale of Assets/Units	**96.12**	304.81
	330.40	548.78

(*) Include Rent Received of ₹ 10.99 lacs (P.Y. ₹ 11.11 lacs) & Net Agriculture Income of of ₹ NIL (P.Y. ₹ 4.46 lacs)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

			AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
27.	**COST OF MATERIALS CONSUMED**			
	Opening Stock of Basic Raw Material	5,381.41		1,793.04
	Purchase of Basic Raw Material	39,525.69		47,868.50
		44,907.10		49,661.54
	Less : Closing Stock of Basic Raw Material	1,745.20		5,381.41
	Effective Consumption of Basic Raw Material		**43,161.90**	44,280.13
	Other Raw Materials, Consumables & Stores		**4,205.88**	3,945.25
			47,367.78	48,225.38
28.	**CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS**			
	Opening Stock of Finished Goods	1,356.81		1,281.30
	Opening Stock of Work in Progress	751.47		941.59
			2,108.28	2,222.89
	Closing Stock of Finished Goods	1,121.79		1,356.81
	Closing Stock of Work in Progress	618.27		751.47
			1,740.06	2,108.28
	Change in Inventories		**368.22**	114.61
29.	**EMPLOYEE BENEFIT EXPENSE**			
	Wages & Salaries		**3,996.43**	3,733.17
	Cont. to PF, ESI, Superannuation & Other Funds		**291.88**	269.29
	Workmen & Staff Welfare		**181.37**	169.36
			4,469.68	4,171.82
30.	**FINANCE COSTS**			
	Interest Expense		**1,600.01**	1,697.24
	Other Borrowings Cost/Bank Charges		**32.41**	58.41
			1,632.42	1,755.65
31.	**OTHER EXPENSES**			
	MANUFACTURING EXPENSES :			
	Power and Fuel & Others	9,016.75		7,785.14
	Machinery Repair	396.62		333.95
	Building Repair	128.23		98.10
			9,541.60	8,217.19

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

		AS ON 31.3.2019 (₹ LACS)	AS ON 31.3.2018 (₹ LACS)
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :			
Printing & Stationery	16.85		15.99
Professional/Legal Expenses	83.25		39.40
Directors' Fee	2.32		2.17
Travelling Expenses	154.81		153.24
Auditors' Remuneration	6.78		6.79
Rent Paid	62.54		57.33
Electricity & Water Charges	39.16		39.55
Entertainment	3.59		4.73
Postage, Telegram & Telephones	27.96		28.37
Advertisement	14.37		19.37
Subscription	26.14		29.68
General Charges	17.52		9.52
Insurance Expenses	61.14		49.67
Other Repairs & Maintenance	78.83		56.12
Commission & Brokerage	544.97		579.78
Provision for Doubtful detbs	75.58		20.63
Other Govt. Taxes, Levies & Fees	50.55		41.22
Rebate & Discount	3.83		16.84
Directors' Commission	130.07		74.29
Charity & Donation	81.77		73.17
Provision for Investment	–		400.00
Carriage & Forwarding Charges	1,728.36		1,400.65
		3,210.39	3,118.52
		12,751.99	11,335.71

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

32. Figures for the previous year have been recast / regrouped wherever necessary.

33. Contingent Liabilities not provided for include :

(a) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹ 844.25 lacs (Previous Year ₹ 314.33 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee of ₹ 40 crores to Yes Bank Ltd for availing the Term Loan by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.

(b) **Central Excise Duty :** Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.96 Crores. The amount mainly includes as under :

- ₹28.93 Crores as disputed Central Excise Duty (excluding penalty &interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account.
- Other items related to a demand of ₹ 1.64 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
- ₹ 2.39 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd.,Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.

(c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 58.50 Crores (Previous year ₹ 3.25 Crores)

(d) Export obligation pending to be fulfilled is Nil (Previous year US$ 4.90 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US$ 11.70 lacs during the year under reference (Previous year US$ 25.21 lacs).

34. Earnings per share :

	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	**4,118.44**	2,263.57
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	**1,47,59,640**	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	**27.90**	15.36*
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	**27.90**	15.36*

* The previous period EPS has been calculated w.r.t current share capital increased by issue of Bonus Shares in the ratio of 1:1 during March, 2019, to make it comparable with current year figure.

35. Related Party Disclosures :

(a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

(i) The Vijoy Steel & General Mills Co. Ltd. : Subsidiary
(ii) Scott Industries Ltd. : Subsidiary
(iii) Sukhjit Mega Food Park & Infra Ltd. : Subsidiary

KEY MANAGEMENT PERSONNEL

(i) Mr. I.K. Sardana
(ii) Mr. K.K. Sardana
(iii) Mr. M.G. Sharma
(iv) Mr. Aman Setia

(b) Transactions with Related Parties in the ordinary course of business :
(Figures in brackets for the previous year)

(Amount in ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid	7.12 (Nil)		24.00 24.00	31.12 (24.00)
Remuneration		358.00 (309.37)	237.15 (214.11)	595.15 (523.48)
On account of sales	0.70 (Nil)			0.70 (Nil)
On account of Purchases	131.66 (17.34)			131.66 (17.34)
Rent received	0.06 (0.66)			0.06 (0.66)

	2018-19 (₹ Lacs)	2017-18 (₹ Lacs)
(c) Managerial Remuneration paid/payable to the Executive Directors		
Executive Directors :		
(i) Salaries	**207.22**	195.19
(ii) Commission	**65.04**	37.14
(iii) Contribution to retirement benefit funds	**15.51**	14.68
(iv) Perquisites	**39.65**	34.44

5. Additional Information, as required under schedule III to the Companies Act, 2013

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated porfit or loss	Amount (in lacs)
Parent				
The Sukhjit Starch & Chemicals Limited	102.18	28,898.74	101.20	4,167.84
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.05)	(14.81)	(0.03)	1.35
– Scott Industries Ltd.	(1.84)	(521.28)	(0.52)	(21.13)
– Sukhjit Mega Food Park & Infra Ltd.	0.12	(132.28)	(0.31)	12.69
Minority Interest in all subsidiaries/ Associates	0.00	(0.49)	(0.00)	(0.04)

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

6. Segment Reporting

The company's operating business are organized and managed separately according to the value of the product. Four primary segments are identified, starch & its derivatives, readymade garments, leasing & hire purchase financing and manufacturing of heavy machinery. Segment information is appended hereto.

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Amt. in ₹ LACS)

Particulars	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	1204.20	440.14	23.06
Reserves & Surplus / (Accummulated Losses)	(32.28)	(521.28)	(14.81)
Total Assets	7862.03	130.60	91.56
Total Liabilities	7862.03	130.60	91.56
Investments	–	–	–
Revenue from Operations	195.43	–	70.60
Profit / (Loss) before taxation	27.57	(21.13)	1.82
Provision for taxation - Deffered tax	(14.88)	–	(0.47)
Profit / (Loss) after taxation	12.69	(21.13)	1.35
Proposed Dividend (if any)	Nil	Nil	Nil

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2019 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Mega Food Park		Heavy Machinery		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment Revenue												
– External Sales	74,314.55	71,324.09	--	2.68	100.19	53.78	27.06	40.22	--	--	74,441.79	71,420.76
– Internal Sales	0.76	0.72	--	--	95.24	--	43.54	17.34	(139.54)	(18.06)	--	--
Total Revenue	74,315.31	71,324.81	--	2.68	195.43	53.78	70.60	57.56	(139.54)	(18.06)	74,441.79	71,420.76
2. Segment Result												
– Profit before Taxation	6,597.84	3,617.62	(21.13)	(25.86)	27.57	(1.90)	1.82	(8.11)	(42.26)	0.01	6,563.84	3,581.74
– Provision for Taxation	(2,430.00)	(1,315.00)	--	--	(14.58)	(1.18)	(0.47)	1.19	--	--	(2,445.35)	(1,314.99)
– Profit after Taxation	4,167.84	2,302.62	(21.13)	(25.86)	12.69	(3.08)	1.35	(6.92)	(42.26)	0.01	4,118.49	2,266.75
3. Segment Assets												
– Segment assets	53,281.66	50,660.70	130.60	151.45	7,862.03	2,855.86	91.56	69.85	(2,109.00)	(1,970.18)	59,256.85	51,767.68
– Segment Liabilities	21,223.84	21,848.42	211.74	211.47	6,683.44	246.64	83.31	64.24	(387.03)	(283.55)	27,815.30	22,087.22
– Capital Expenditure	6,878.61	1,263.99	--	--	5,190.24	1,610.36	4.52	--	--	--	12,025.03	3252.81

THE SUKHJIT STARCH & CHEMICALS LIMITED

Regd. Office : Sarai Road, Phagwara-144401 Distt. Kapurthala, Punjab
Email : sukhjit@sukhjitgroup.com Website : www.sukhjitgroup.com
C.I.N. : L15321PB1944PLC001925

ATTENDANCE SLIP
ANNUAL GENERAL MEETING - AUGUST 8, 2019 AT 10.00 A.M.

DP ID.		Name & Address of the registered shareholder
Client ID/Regd. Folio No.		
No. of Shares held		

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.
I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Thursday the 8th day of August, 2019 at its Regd. office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

.....
Member's/Proxy's Signature

Note : Please complete this and hand it over at the entrance.

.....

FORM NO. MGT-11
PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	L15321PB1944PLC001925
Name of the Company :	**The Sukhjit Starch & Chemicals Limited**
Registered Office :	Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab
Name of the members (s) :	
Registered address :	
E-mail Id :	
Folio No./Client ID	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint.

1.	Name			
	Address			
	E-mail ID		Signature	
	or failing him			
2.	Name			
	Address			
	E-mail ID		Signature	
	or failing him			
3.	Name			
	Address			
	E-mail ID		Signature	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, August 8, 2019 at 10.00 A.M. at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.	2.	3.	4.

Signed this..... day of ..... 2019.

Affix Revenue Stamp

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Note : This form of proxy in order to be effected should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

PUNJAB

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