



THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE

Ref: SSC/VPF/SE/2023-24/2246

Dt: 15/07/2023

BY E-FILING

To, The General Manager-Listing Department BSE Limited 25th Floor, P.J. Towers, Dalal Street, Fort, MUMBAI- 400 001 Ref: Security Code: 524542	To, The General Manager-Listing Department The National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumabi- 400 051 Ref: Symbol: SUKHJITS
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Sub: Notice of 79th Annual General Meeting (AGM) and Annual Report 2022-23

Dear Sir,

In compliance with Regulations 30, 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 79th AGM of the shareholders of the Company and the Annual Report for the financial year ended 31st March, 2023. The same is being circulated through electronic mode to all the shareholders of the Company whose E-mail addresses are registered with the Company or Depository Participant(s), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI). The Notice and the Annual Report has also been made available on the Company's website at

<https://www.sukhjitgroup.com/notice-of-agm> and

<https://www.sukhjitgroup.com/annual-report>

Further, the facility/option to transact through Remote Electronic Voting is also being provided to the shareholders. The remote E-voting will start on Tuesday, August 8, 2023 at 9.00 A.M. and will end on Thursday, August 10, 2023 at 5.00 P.M. The cut-off date for the purpose of determining the shareholders for E-voting is August 04, 2023.

As already intimated, the Register of Members and the Share Transfer Books of the Company will remain closed from 05-08-2023 to 11-08-2023 (both days inclusive) for the purpose of holding the Annual General Meeting of the Company.

We hope you will find the above information in order and request you to take the same on your records.
Thanking You,

Yours Faithfully,
For The Sukhjit Starch & Chemicals Limited

Vice President (Finance) &
Company Secretary

Encl: as above



THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE



Transforming

To accelerate growth and
enhance value

79th Annual Report 2022-23

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Businesses are constantly seeking innovative ways to transform their operations and strategies. This includes adopting new technologies, implementing agile processes, and fostering a culture of continuous improvement. By embracing transformation, we can stay ahead of the competition, adapt to changing market dynamics, and meet the evolving needs of our customers.

Additionally, this allows us to streamline processes, optimise resource allocation, and drive efficiency throughout their entire value chain. As an agro-processing company with a rich history as one of India's oldest starch producers and amongst the largest in terms of production, we support our growth strategy by maintaining an efficient but prudent capital structure while retaining the flexibility to invest in growing the business.

Expanding our presence across different geographies has been a key objective for our company. We hope to increase our market share and acquire a competitive edge by doing so. Our dual strategy of catering to existing consumers while also seeking new ones has helped us extend our market reach, broaden our customer base, and strengthen our market position.

To address evolving customer demands, we focus on optimising our product mix, particularly emphasising high-value offerings. We also have successfully adapted to changing market dynamics by aligning our product portfolio with the needs of our customers. This enables us to stay ahead of the competition.

We have prioritised higher capacity utilisation in line with our commitment to efficiency and volume enhancement. We aim to strive for optimal performance, maximize operational efficiency and productivity, and remain committed to accelerating growth and enhancing long-term value for all our stakeholders.



Reference to further reading online

You can also find this report online:

<https://www.sukhjitgroup.com/annual-report>



Scan the QR to know more about us



Going an extra mile to deliver excellence

Sukhjit Starch and Chemicals Limited (Sukhjit) has been India's oldest and third-largest producer of starch for more than seven decades. At Sukhjit, we believe that quality is the lifeline of every business and we are committed to satisfying our customers by manufacturing and supplying innovative and best-in-class products for our customers.

Incorporated in 1943, in Phagwara, Punjab, we are the country's most efficient manufacturers of maize starch. We began with a single geographic presence and have since extended to Nizamabad, Malda, and Gurplah, supported by reliable R&D procedures and a dedicated team of experts. Our commitment to quality and innovation has allowed us to consistently meet the growing demands of our customers. With state-of-the-art facilities and continuous improvement initiatives, we strive to stay at the forefront of the maize starch industry in India.

Along with native starch, we manufacture Modified Starches, Dextrins, Liquid Glucose, HMS, Malto-Dextrin, Mono-Hydrate Dextrose, Anhydrous Dextrose, Sorbitol-70% Solution and various by-products, serving a broad range of industries.

Our commitment to constant development clearly demonstrates our philosophy. Our infrastructure, technology, and skills enable us to be a one-stop shop for our B2B clients. Given our consistent compliance with quality parameters, we are able to remain our clients' first choice. We are devoted to quality excellence in order to fulfil our clients' evolving needs.



Value Principles



Our Accreditations



₹1,435 crore

Revenue for FY23

₹70 crore

Profit After Tax for FY23

₹143 crore

EBITDA for FY23

1250+

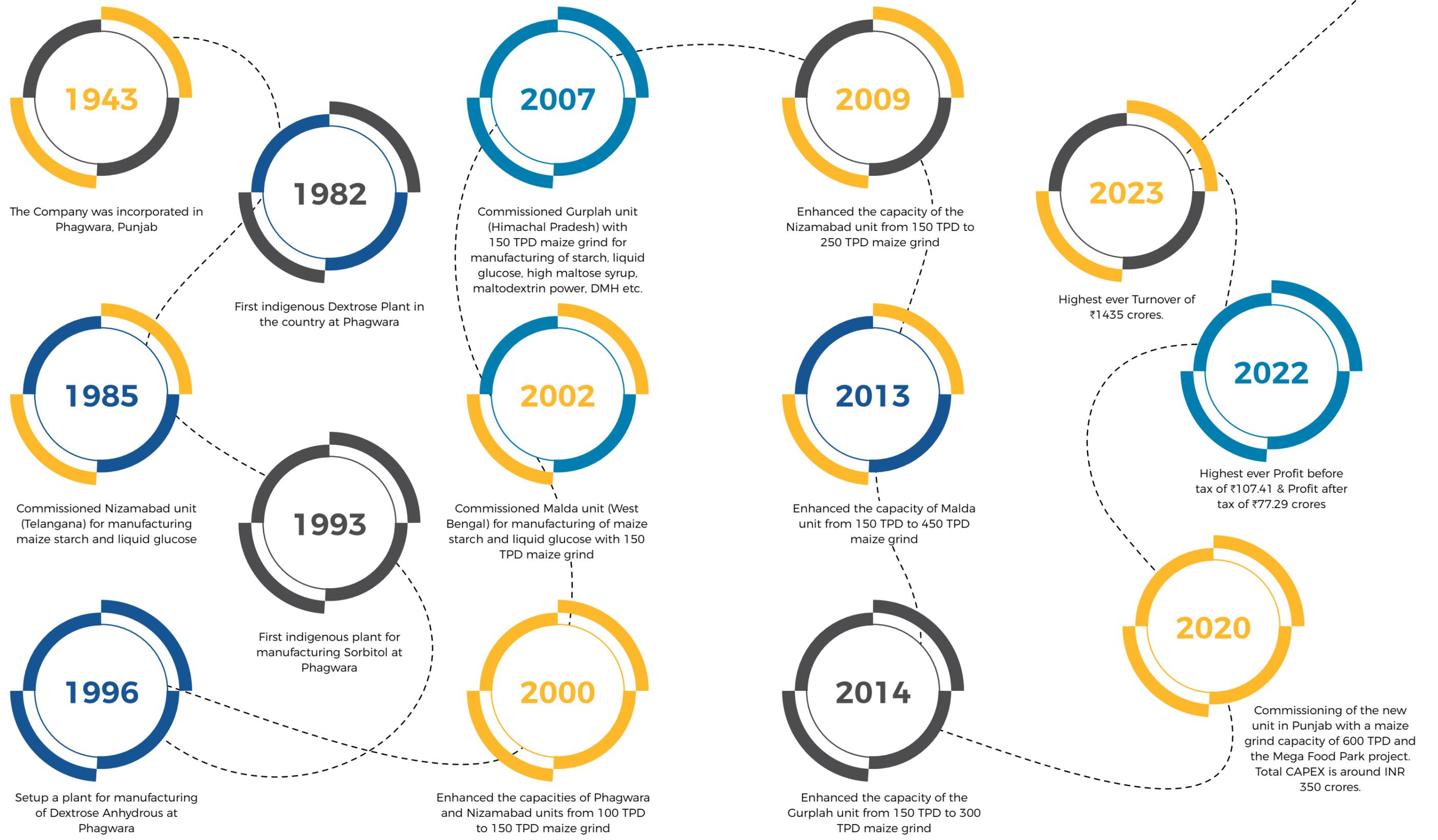
Workforce

550,000 TPA

Production Capacity



Our journey of creating holistic value





Managing Director's Speech



It is interesting to mention in this context that during FY23, we achieved the highest-ever revenue from operations, which stood at ₹1,435 crores.



K. K. SARDANA
Managing Director



I am happy to share that we have successfully completed one more year of transformation with the encouragement and support of all our esteemed stakeholders.

With a rich history dating back to 1943, we have crafted a vibrant legacy, emerging as one of India's oldest and third-largest producers of starch and its derivatives over the decades. Our journey began with the Corn Wet Milling Facility in Punjab, and today we operate four manufacturing locations across the country, catering to a wide range of industries.

In all these years, India's socio-economic landscape has evolved with big transformational changes driven by innovative technologies impacting various aspects of our lives. We recognise this shift and aim to cater to the evolving needs and preferences of its diverse customer base.

Talking about the year under review, FY23 presented a largely volatile business environment globally, worsened by the continued geopolitical tensions in Europe and high inflationary trends in both advanced and emerging economies. While we faced margin pressures due to these macro indicators, our cost optimisation measures helped us strengthen our profitability significantly.

We view these macro tailwinds as growth opportunities and appropriately reconfigure our business model to deliver sustainable value to our customers and stakeholders. It is interesting to mention in this context that during FY23, we achieved the highest-ever revenue from operations, which stood at ₹1,435 crores.

Our product range includes Native Starch, Modified Starches, Dextrins, Liquid Glucose, HMS, Malto-Dextrin, Mono-Hydrate Dextrose, and various by-products, catering to a wide range of industries. These compounds find vital applications in diverse industries like paper, textiles, pharmaceuticals, food and beverages, FMCG and so on.

By offering international quality products at affordable Indian prices, we have successfully differentiated ourselves and built loyalty among our customers across the country.

The strategic plant locations of our manufacturing facilities enable us to serve our key customers effectively and efficiently. We have also continued to invest in our business, capitalising on key industry trends to position ourselves for long-term success. With a wide footprint across the country, we aim to penetrate deeper into the hinterland by leveraging our capacities, world-class customer service, and efficient logistics to ensure affordability.

As part of our transformation agenda, we have been making changes in our manufacturing and delivery processes to better serve its end users. Our capacities at most of the locations were commissioned two-three decades ago and afford us good opportunities to expand to the optimum size at low cost due to other infrastructural facilities already being in place there.

On the capacity expansion front, our new unit in Punjab is operating at high capacities for starch and its derivatives, with plans to achieve full capacity utilisation in the near future. At present, our combined total production capacity is approximately 550,000 TPA compared to a mere 1800 TPA at the time of our inception. Our commitment to operational excellence and prudent resource allocation has resulted in all facilities operating at 80% capacity. We are confident of achieving long-term growth, as the industry globally remains largely attractive.

To fuel our growth trajectory, we have allocated capital expenditures to enhance the capacity of our existing plants. Over the next 24 months, we will increase our daily maize grind capacity from 1600 tonnes to 2000 tonnes. Importantly, these investments are entirely funded through internal accruals, underscoring our financial strength and sustainability. Additionally, we aim to increase the share of high-value starch derivatives to improve our profitability and strengthen our competitive position in the industry.

Looking ahead, we maintain a positive outlook for our company's prospects and remain committed to delivering value to our shareholders. By prioritising key areas such as expansion, customer relationships, and operational efficiency. We are also planning to increase the share of high-value starch derivatives to improve profitability. This strategic move is expected to position us for further growth and strengthen our competitive position in the industry. Our solid foundation, built over the past seven decades, serves as a testament to our legacy and positions us for future success.

We extend our gratitude to our employees, customers, and shareholders for their continued support. Together, we will navigate the challenges and opportunities to capitalise on those that lie ahead and realise our vision for a prosperous future.

Regards,

K. K. Sardana
Managing Director



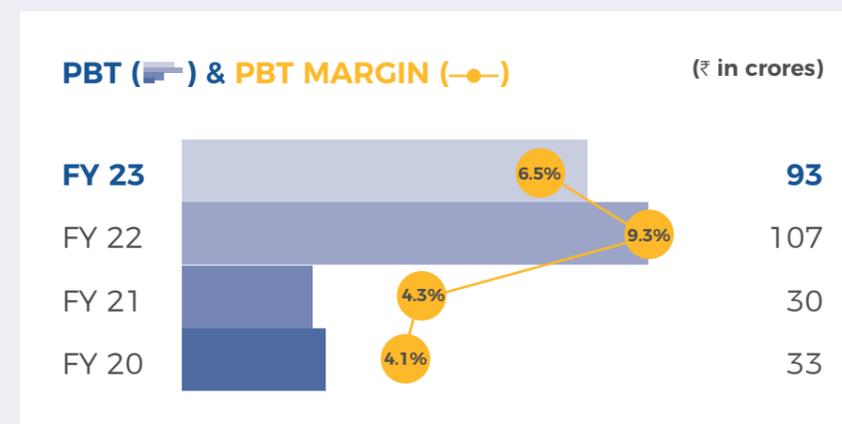
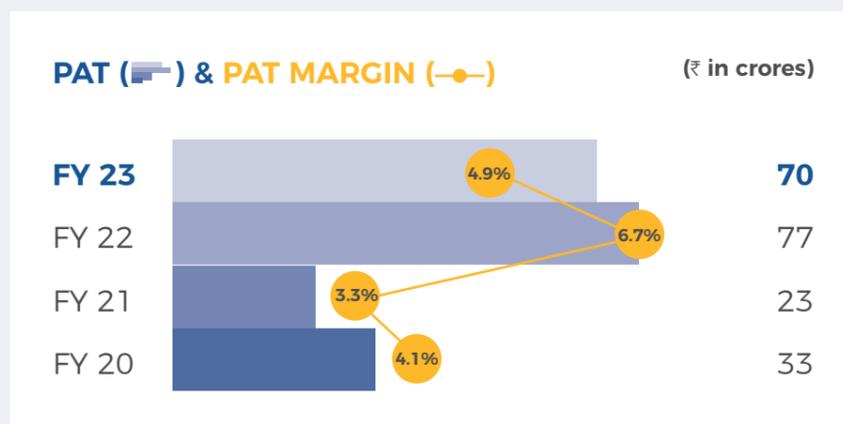
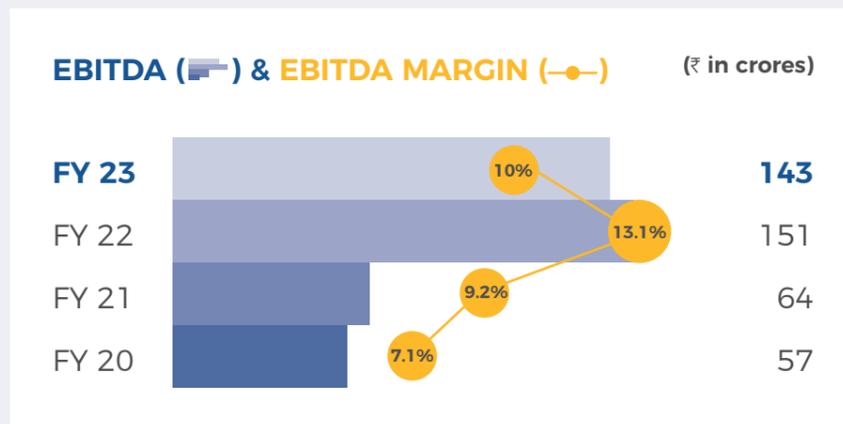
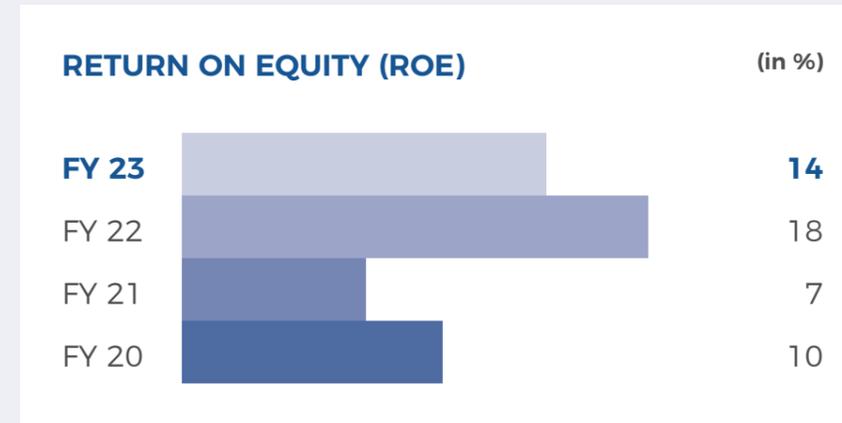
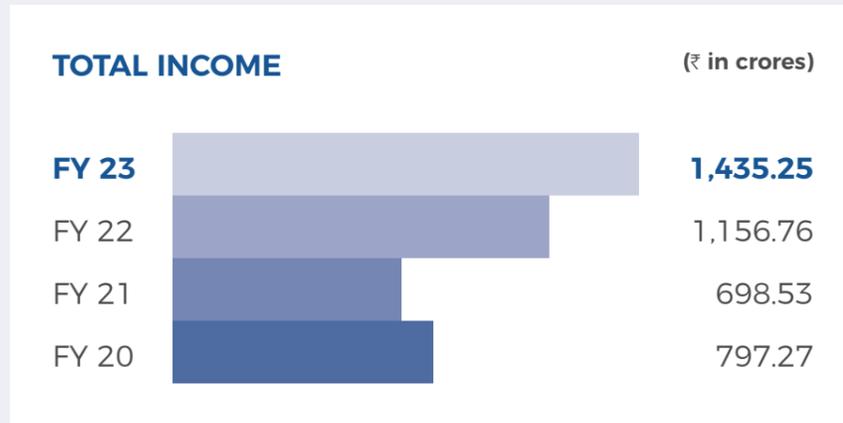
By offering international quality products at affordable Indian prices, we have successfully differentiated ourselves and built loyalty among our customers across the country.





Growing on strong foundation

At Sukhjit, we foster sustainable growth and maximise shareholder value through an optimal capital structure and strategic investment decisions. We prioritise the efficient allocation of capital while maintaining a prudent approach to support our growth strategy. Through our strategic approach, we ensure to capitalise on emerging opportunities and propel the business forward.





Driven by robust fundamentals

With a remarkable legacy that spans almost eight decades, we are recognised as one of the industry's foremost leaders, driven by our robust fundamentals. We place immense value on the principles of diligence, trust, and credibility. We are not committed not only to operational and financial performance, but also prioritise transparency and best practices.

Environmental commitment

Our investment in cutting-edge facilities to convert biodegradable waste into energy has substantially reduced our carbon footprint and our dependence on non-renewable sources of energy.



Experienced management

Our management has extensive experience in the starch sector and is well-versed in market developments, regulatory compliance, and customer preferences.



Quality and food safety standards

We implement stringent quality control and adhere to strict food safety requirements, ensuring that our products meet the highest quality and safety standards and instil customer trust.



Customer-centric approach

Through a customer-centric approach, we forge strong relationships by understanding unique needs, offering tailored solutions, and providing technical support for optimised product performance.



Advanced R&D expertise

Our robust R&D capabilities drive innovation and continuous improvement, allowing us to develop new formulations, enhance functionalities, and address emerging trends with expertise.



Producing hydrogen from biogas process effluents

We efficiently purify biogas generated from process effluents to produce hydrogen, complying with all regulatory approvals for product quality and safety protocols.



Strong market position

We have developed a good track record of operations, strengthening our strong market position, with a maize grinding capacity of 1,600 tonnes per day (TPD) and roughly 10% share of the domestic market based on installed capacity.



Diverse product portfolio

Our product portfolio encompasses a diverse range of starch products, including native starches, modified starches, and value-added products such as sorbitol, monohydrate dextrose, anhydrous dextrose, maize gluten, maize oil, and cattle/poultry feeds.



Extensive user base diversity

We have the capability to serve a wide range of industries including paper, packaging, pharmaceuticals, personal care, FMCG, and food & beverages, catering to their diverse needs and requirements.



Renowned clientele

We have a strong customer base comprising renowned brands, allowing us to provide exceptional service to our clients.



Our value-accretive product portfolio

We provide a wide range of high-quality maize products and by-products. Our products reflect innovation, versatility, and high quality. We take pride in our 'corn-derived solutions' and their use in a different sectors. With our carefully curated selection of products, we aim to empower individuals and businesses with the tools they need to thrive.



Maize starch

Maize starch (C6H10O5), also known as corn starch or flour is a fundamental ingredient in most of the packaged food and industrial products. It is extracted from the corn kernel and has a distinctive appearance and feel.

END USERS

- Manufacture of sweeteners
- Sizing of paper and textile
- Food thickener
- Stabilizer
- Ethnic sweets
- Manufacture of modified starches
- Bio-plastics
- Pharmaceutical
- Corrugated board
- Bio-plastics
- Frozen food



Liquid glucose

Liquid glucose is a purified concentrated aqueous solution of nutritional saccharides derived from starch that is used in various food and industrial products. The quality of liquid glucose has a direct impact on the quality and performance of the finished products.

END USERS

- Confectionery
- Baking
- Brewing
- Meats
- Ice cream
- Processed fFoods
- Jams and preserves
- Canning
- Frozen foods
- Dairy products



Sorbitol 70%

It is a water-soluble polyhydric alcohol with a sweet taste and high stability. It also possesses humectant and plasticizing characteristics. It is made by reducing glucose and altering the aldehyde group and is used in food products, tobacco conditioning, high-quality papers, and so forth.

END USERS

- Oral hygiene formulation
- Cosmetics
- Processed food industry
- Pharmaceutical industry
- Confectionary
- Frozen foods
- FMCG/Healthcare industry
- Paint industry



Monohydrate dextrose

Dextrose monohydrate, also known as D-Glucose, is a white crystalline powder that is odourless and sweet to taste. It is made by hydrolyzing starch and contains one molecule of water for hydration.

END USERS

- Total or partial replacement for sucrose in baking and other dry mixes, canned products, chewing gum, confections, dairy products, meats, preserves, carriers for colours and flavours.
- Bulking agent for intense sweeteners, beverage powders and dry mixes. Tableting excipient in confections.
- Source of fermentable in baking, and brewing, vinegar and wineS.
- Baked goods.
- Caramel colouring.



Anhydrous dextrose

Anhydrous Dextrose is a white crystalline powder that has no odour and tastes sweet. It is the purest form of dextrose, often known as glucose. It is created by dissolving Dextrose Monohydrate, allowing the solution to evaporate to a solid concentration of 84%-85%, then adding induced seed crystals and crystallizing the mixture at high temperatures.

END USERS

- Injectable solution manufacturing
- Saline solution manufacturing
- Oral re-hydrating agent



Maize gluten

Corn gluten meal, which contains around 65% crude protein, is extensively used as animal feed. It provides protein, energy, and pigments to animals and is used to improve digestion in pets.

END USERS

- Poultry feed
- Animal feed
- Herbicide



Maltodextrin powder

Maltodextrin, a type of preservative, is commonly used as a thickener or filler to increase the volume of processed food. It also increases the shelf life of packaged foods.

END USERS

- Indian sweets
- Baby food
- Instant food
- Confectionary
- Baking
- Ice cream
- Dairy products
- Processed food
- Beverage



Other by-products

In addition to the products listed above, we manufacture several by-products that often serve as nutritional additions to cattle feed. These are also used to produce biodiesel.

END USERS

- Poultry Feed
- Cattle Feed
- Insecticides
- Cooking oil
- Printing Ink
- Pet Food
- Biodiesel

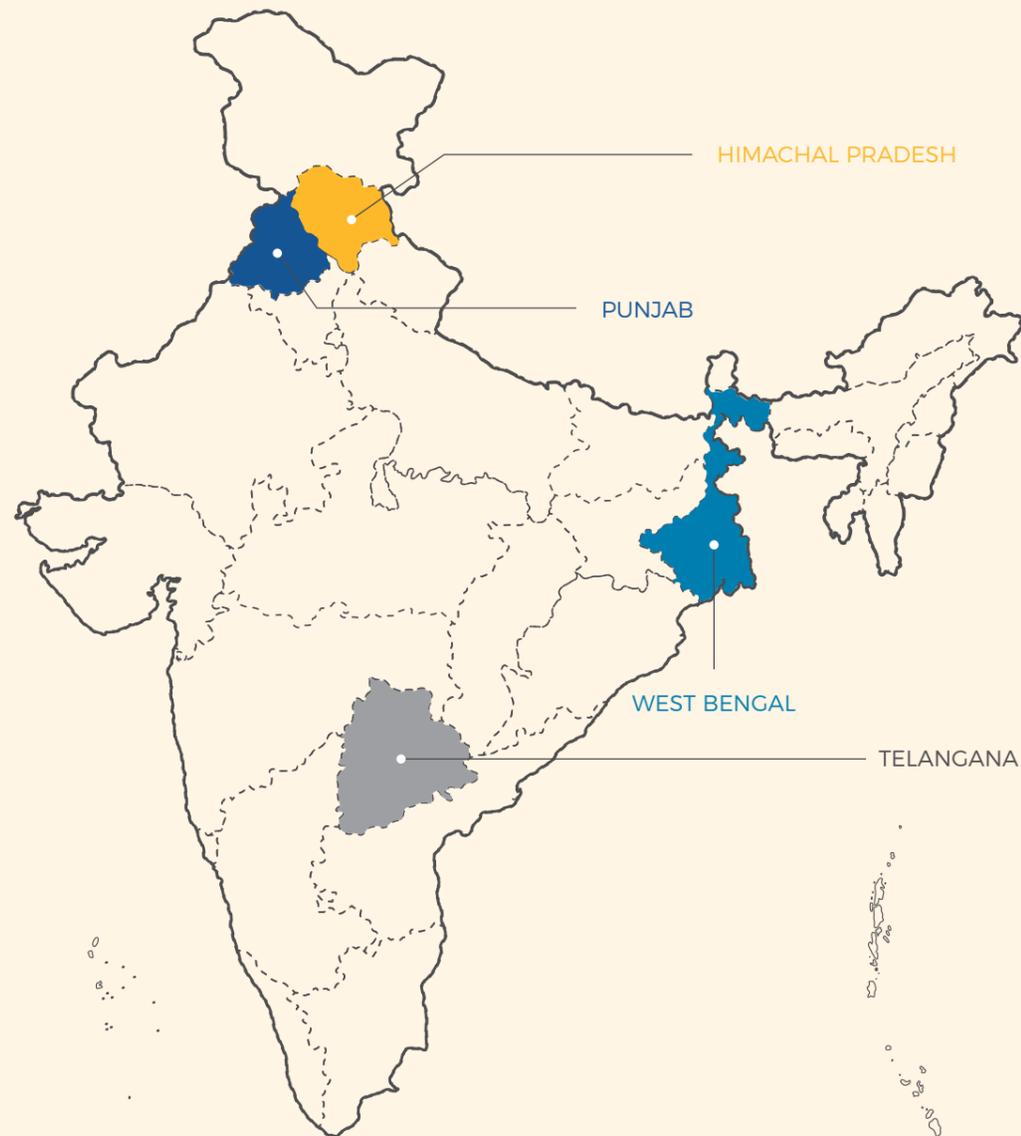


Operational excellence

Our operational excellence and remarkable achievements have become our trademark. Over the years, we have reached many significant milestones and created holistic value. We have built a strong foundation based on innovation, dedication, and a commitment to exceeding customer expectations.

Delivering quality

Our manufacturing facilities are strategically located near maize-producing regions ensuring a steady and reliable supply of raw materials. With skilled labour and efficient transportation infrastructure, we ensure smooth operations and timely delivery. Additionally, our proximity to consumption centres enables quicker turnaround times, optimising the supply chain for enhanced efficiency.



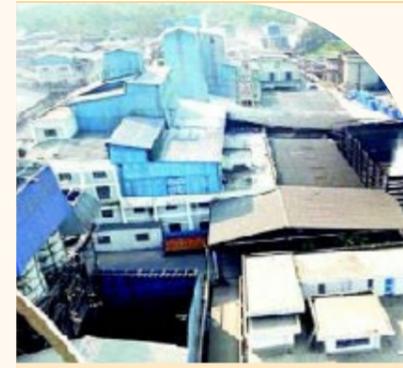
Phagwara

Products

Maize Starch, Monohydrate Dextrose, Sorbitol, Anhydrous Dextrose, Maize Gluten, Maize oil and other by-products.

Capacity

600 TPD



Nizamabad unit

Products

Maize Starch, Liquid Glucose, Maize Gluten, Maize Oil, Cattle Feed and other by-products.

Capacity

250 TPD*

Malda Unit

Products

Maize Starch, Liquid Glucose, Monohydrate Dextrose, Maize Gluten, Maize Germ and other by-products.

Capacity

450 TPD*



Gurplah Unit

Products

Maize Starch, Liquid Glucose, Monohydrate Dextrose, Malto Dextrin Powder, Maize Gluten, Maize germ and other by-products

Capacity

300 TPD*

* tonnes per day



Reputed clientele

We are serving clients across various industries, assisting them in establishing a global footprint for their businesses.



Quality

At Sukhjit, we firmly uphold the principle that quality serves as the lifeblood of every business. Our commitment lies in ensuring the complete satisfaction of our esteemed customers by consistently manufacturing and supplying products of exceptional quality.

We are offering international quality products at affordable Indian prices

We implement robust quality control procedures and strictly adhere to stringent food safety standards in order to ensure the excellence of our starch products. Through comprehensive testing, our products consistently meet the highest benchmarks for quality and safety, instilling a sense of confidence in our customers regarding the integrity and dependability of their own products.

Our commitment to maintaining international standards of quality places us at the forefront of the Indian starch industry, providing us with a distinct competitive edge. By prioritising the utmost attention to quality, we strive to continuously meet and exceed customer expectations.



FSSAI

Approval for our all plants

FSSC 22000

Food safety system certification (SGS)



Innovating to stay ahead of the curve

At Sukhjit, innovation is at the heart of our operations as we continually strive to be the preferred choice for our customers. Our strong Research and Development (R&D) arm serves as a driving force behind our success, enabling us to stay ahead of the curve.

Our R&D hub, located in Phagwara, acts as a central resource centre for all our units fostering collaboration and synergy across our organisation. Through our relentless pursuit of ground-breaking ideas and technologies, we are committed to delivering exceptional products and solutions that meet the evolving needs of our valued customers.



₹62.15 lakh
R&D spend

The notable R&D activities in the recent past which have yielded positive results include:

- Co-developed high-yielding maize varieties:** Collaborated with relevant Government Agencies and farmers in the State of Punjab to create high-yield maize, boosting agricultural productivity and leading to major shift from paddy (adversely affecting the ground water level of the State) to Maize.
- Reduced fat/salt content in processed foods:** Worked with food manufacturers to lower overall fat and salt levels, promoting healthier food choices.
- Specialised flavourencapsulation for snacks:** Developed advanced flavour encapsulation techniques for extruded snacks, ensuring consistent and appealing flavours.
- Low-cost, eco-friendly paper industry solutions:** Developed affordable solutions for the paper industry, minimising environmental impact.
- Sugar-free applications for confectionery:** Provided innovative sugar-free solutions for the confectionery industry, maintaining taste and quality.
- Low moisture absorbing solutions for Pharma:** Created specialised moisture-resistant solutions for pharmaceutical products, ensuring stability and efficacy.

We maintain a forward-thinking outlook towards R&D, driven by a proactive and insightful approach. With a keen awareness of evolving market dynamics and influential factors, our executives consistently monitor customer interactions, regulatory trends, and sustainable business models. This holistic understanding will serve as a foundation for continuous innovation and the creation of new products, bolstered by our extensive knowledge resources and expertise across various industries. By constantly generating innovative ideas, we endeavour to pave the way for enhanced solutions, ensuring the delivery of cutting-edge advancements for our valued customers.



Human resource

Human resources are an essential component for our long-term success. In order to attract, retain, and develop its talent pool, we have endlessly identified potential, offered training, and upheld the golden rule of rewarding performance.

Learning and development

We accord huge importance to the quality of human capital and believe that continuous honing of the skills of employees is vital to develop and improve the talent pool of our Company. We follow a systematic plan for training new employees in our facilities at different locations. The inter-locational transfers to employees are encouraged to better their skill sets. Employees are also sent to attend the seminars/workshops organised by other institutions from time to time.



Employee engagement

Besides the statutory benefits available to the employees like provident fund, employees state insurance and gratuity, we have various schemes to take care of the emergency medical requirements of the employees, education allowance/subsidy to promote the education of the children of the employees, uniform allowance, benefit of supper annuation scheme for our select's employees/ key personnel and free/subsidised canteen/mess facilities and so on.

We manage a diverse array of educational institutions providing quality education to approximately 4,000 students. Our network includes five senior secondary schools. We also focus on women's education through a dedicated post-graduation college, a B.Ed. college, and two additional schools exclusively for women.



Environmental, Social and Governance

At Sukhjit, we recognise the importance of sustainable practices and strive to minimise our environmental impact through the implementation of energy-efficient technologies and various other initiatives. Our commitment to ethical conduct is unwavering, and we have implemented comprehensive policies and procedures to ensure that our operations are conducted with integrity and transparency. We believe that responsible supply chain management is essential, and we work closely with our suppliers to ensure that they adhere to ethical and sustainable practices.

Environmental

We at Sukhjit, are fully aware of our environmental impact and has implemented comprehensive measures to promote eco-friendly operations. We utilise state-of-the-art effluent treatment technology, which converts biomass into bio-gas, reducing carbon emissions.

This bio-gas replaces furnace oil and partially replaces coal, resulting in a significant reduction in carbon footprints. Additionally, we emphasise water conservation by reusing treated water in our manufacturing processes and for irrigation purposes, reducing groundwater withdrawal. We monitor and track energy consumption, aiming to achieve a measurable reduction in greenhouse gas emissions.

We actively engage with farmers in Punjab, encouraging them to replace water-intensive paddy with corn cultivation, thereby conserving water resources and increasing farm income. We also contribute to village pond cleaning, educates people on rainwater harvesting, and produce hydrogen from bio-gas.

Key highlights of FY23

~3,600
thalassemic/other needy people got blood

~3,000
trees have been planted

~4,000
patients got treated in various medical/dental camps

Social

We, being responsible corporate citizens, have a value system of giving back to society and a vision to empower people and communities, building self-reliance through purpose and technology while ensuring the values of fairness, equity and respect for human beings.

Giving back to the community

Our company's CSR approach revolves around fostering community development in proximity to our operations. We prioritise inclusive growth by promoting education, with a particular emphasis on empowering economically disadvantaged girls. Additionally, we provide infrastructure support to educational institutions, assist individuals with disabilities, promote healthcare, ensure environmental sustainability, and collaborate with implementing agencies to address diverse social challenges.

Promoting Education

Our mission in the field of education is to enhance and facilitate literacy levels across various segments of society. Our efforts go beyond infrastructure development for educational centres. We also conduct educational programs and livelihood enhancement projects to achieve this goal.

As part of our initiatives, we undertake diverse projects aimed at modernising educational facilities in colleges and schools. We support the establishment of libraries, science laboratories, and computer labs, among other enhancements. These initiatives specifically target economically disadvantaged students, enabling them to access quality education.

Under our patronage, several educational institutions have been successfully established. One notable example is a Post Graduate College for women, equipped with state-of-the-art infrastructure. We offer concessions and support to ensure that needy and underprivileged students can benefit from these facilities. Additionally, we have established seven other educational institutions, including a B.Ed. college for women and six higher secondary schools. These institutions focus on providing quality education to students from economically backward and rural areas, offering concessions to enable their access to education.



Improving health and well-being

With a growing population, healthcare and hygiene have become central to India's development agenda. We aim to make affordable healthcare facilities available to communities around our plants by forging strategic partnerships with organisations having expertise in the requisite areas. Hence, we have joined hands with many organisations to promote the health and well-being of needy and poor people and some of which include: -

- Bi-monthly dental care camps offer free dental services and dentures to the elderly.
- Regular eye care and operation camps provide assistance to underprivileged patients.
- Cancer awareness camps promote early detection and control of the disease.
- The Council supports trusts/societies that care for orphans, handicapped individuals, and the blind.
- The Council also distributes free ration, blankets, and essential items to the poor and needy.
- The Blood Donor Council conducts blood donation awareness camps and provides free blood to Thalassemia patients, with discounted rates for others in need.



Environmental, Social and Governance (contd..)

Governance

At Sukhjit, we have always believed in good Corporate Governance, Transparency, and Fair Business. Standard Corporate Practices held the company to maximize long-term Shareholders' value and in building a bond of trust with its employees, customers, creditors, lenders and others. To achieve this, we have implemented a robust governance structure, drawing on global best practices and the guidance of our Board of Directors. The company has always remained prompt and regular in discharging its statutory obligations and duties.

Ensuring transparency

Our Board provides invaluable guidance on a range of critical issues, including creating value, ensuring fair treatment, complying with policies, and upholding ethical values. The board has constituted various committees and meetings of the Board and Committees thereof have been held as frequently for proper and effective control over the affairs of the Company.

Meticulous compliance with all applicable SEBI regulations like SEBI (Listing Obligations and Disclosure Requirements) Regulations, SEBI (Prohibition of Insider Trading) Regulations, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations and so on.

Committees of the Board

1. Audit Committee
2. Corporate Social Responsibility (CSR) Committee
3. Stake Holders' Relationship Committee
4. Nomination & Remuneration Committee
5. Share Transfer Committee
6. Risk Management Committee

We have been following various corporate governance mechanism like vigil mechanism, code of conduct for Directors & senior managers, Code of Practices and Procedures for UPSI and so on.

Some of our key policies are listed below:

- Board diversity policy
- Board evaluation policy
- Remuneration policy for Directors KMPs & other executives
- Whistle blower policy
- Sexual harassment policy
- Related party disclosure policy
- Policy for determination of materiality
- Policy for preservation, archival and disposal of documents
- Risk management policy
- Dividend distribution policy

Board of Directors & Corporate information

BOARD OF DIRECTORS

Smt. Manjoo Sardana

Non-Executive Chairperson

Committee

NIL

Sh. K.K Sardana

Managing Director

Committee

2 **C** | 3 **M** | 5 **C** | 6 **C**

Sh. M.G Sharma

Executive Director (Fin.) & CFO

Committee

1 **M** | 5 **M** | 6 **M**

Smt. Shalini Umesh Chablani

Non-Executive Director

Committee

NIL

Sh. Tarsem Singh Lally

Independent Director

Committee

NIL

Sh. Ranbir Singh Seehra

Independent Director

Committee

1 **C** | 3 **C** | 4 **C**

Sh. Vikas Uppal

Independent Director

Committee

1 **M** | 2 **M** | 4 **M** | 6 **M**

Sh. Saravjit Singh Hothi

Independent Director

Committee

1 **M** | 2 **M** | 3 **M** | 4 **M**

Committees of the Board

1. Audit Committee | 2. Corporate Social Responsibility (CSR) Committee | 3. Stake Holders' Relationship Committee | 4. Nomination & Remuneration Committee | 5. Share Transfer Committee | 6. Risk Management Committee

C Chairman

M Member

BANKERS

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

AUDITORS

M/s Y. K. Sud & Co.
Chartered Accountants
Ambika Towers, 4th Floor,
Police Line Rd., Jalandhar-144 001

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, 1st Floor, Okhla
Industrial Area, Phase-I, New
Delhi-110 020

Tel. : 011-26812682, 83

Fax : 011-26812684



The Sukhjit Starch and Chemicals Limited

(CIN: L15321PB1944PLC001925)

Registered Office: Sarai Road, Phagwara, Punjab, 144401

Email: sukhjit@sukhjitgroup.com

Phone: 01824-468800 / 260314 / 260216

Fax: 01824-261669 / 262077

NOTICE

NOTICE is hereby given that the 79th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Friday, the 11th day of August, 2023 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 and Audited Financial Statements for the year ended 31.03.2023.
2. To appoint Director in place of Smt. Manjoo Sardana (DIN: 08533106) who retires by rotation and being eligible, offers herself for re-appointment.

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 149, 150, 152, 161 & other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment 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 (as amended), the consent of the members be & is hereby granted to the re-appointment of Sh. Tarsem Singh Lally (DIN No. 00381009), as a Non Executive Independent Director of the Company for a further period of 3 years i.e. w.e.f. 13th August, 2023 to hold office upto 12/08/2026.

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 or re-enactment 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 for a further period of 3 years i.e. with effect from 1st June, 2023 to 31st May, 2026, 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 re-appointment including remuneration etc. payable to Shri M.G. Sharma within the limits specified in the 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 ratify the remuneration of Cost Auditors for the financial year ended March 31, 2024, 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 or re-enactment 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, 2024, be and is hereby ratified".

By Order of the Board

Sd/-

AMAN SETIA

Vice President (Finance)
& Company Secretary

Place : Phagwara.
Dated : 27/05/2023



EXPLANATORY STATEMENT(S) OF ITEM NO. 3 TO 5

(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 3

Sh. Tarsem Singh Lally was appointed as an Independent Director of the Company w.e.f. 13/08/2020 for a period of 3 years, with the necessary approval of the shareholders in the General Meeting. As his existing tenure expires on 12/08/2023, the Board of Directors has recommended his re-appointment for a further period of 3 years w.e.f. 13/08/2023 to 12/08/2026. The Board feels that his decades' long business experience & leadership skill sets will continue to guide the Company and strengthen the composition of the Board. He, being above 75 years of age, his appointment / reappointment requires approval of shareholders by way of special resolution as per the provisions of the Act read with rules thereafter & SEBI (LODR) Regulations, 2015.

The Company requires the shareholder's approval for his re-appointment as the Non-Executive Independent Director of the Company.

The Company has received his consent to act as a Director of the Company u/s 152(5), Notice of Interest u/s 184 (1) and requisite declarations that he is not disqualified for being appointed as Independent Director of the Company in terms of Section 164 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not related to any of the Directors of the Company under the provisions of the section 2(77) of the Companies Act, 2013. His re-appointment will be made for a further period of 3 years i.e. from 13th August, 2023 to 12th August, 2026 and he shall not be liable to retire by rotation as per the applicable provisions of the act.

Sh. Tarsem Singh Lally is an Engineering Graduate and an experienced entrepreneur with sound business background. He has lifelong commercial / technical experience of over 48 years in various fields to his credit. He is director of many companies like:

- Lally Motors India PVT. Ltd.
- Lally Motors Services Pvt. Ltd.
- Lally Hotels Pvt. Ltd.
- Dee Aar Finance & investment Pvt. Ltd.
- Lally Motors Pvt. Ltd.
- Prestige Protection Services Pvt. Ltd.
- Lally Performance Cars Pvt. Ltd.

In opinion of the Board, the Independent Director proposed to be appointed / re-appointed fulfill all the conditions specified in the Companies Act, 2013 and the rules made thereunder and is independent of the Management.

The terms and conditions of appointment / re-appointment of the independent director are available for inspection by members at the registered office of the Company and are also available on the website of the Company.

He will be paid sitting fee, reimbursement of travelling expenses incurred for attending the Board Meetings on actual basis and commission on profits, as payable to other Independent 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.

Save and except Sh. Tarsem Singh Lally and his relatives to the extent of their shareholding interest, if any, in the company with regard to his appointment, none of the other Directors / Key Managerial Personnel and their relatives are in any way, financially or otherwise, concerned or interested, in the above resolution.

ITEM NO. 4

Shri M. G. Sharma, who is B.Sc, F.C.A, A.C.S, D.B.I.M, has been working with the company since 1981. He was working as Group Senior Vice President & CFO when he was appointed as the whole time director of the Company on 1st August, 2016. He is heading finance and commercial functions of the company with due compliance of statutory Acts like Income Tax Act, GST Act and other applicable Acts to the company from time to time. He has been associated with the company for over four 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 functions of the Company. He has attained the age of 70 years. However, the Board feels that it would be in the interest of the Company if he continues as the Executive Director & CFO having regard to his life long experience in the Industry & long association with the Company. As his existing term is expiring on 31/05/2023, the Board, in the overall interest of the Company, recommends the re-appointment of Shri M.G. Sharma as Executive Director (Fin) & CFO of the Company for a further period of 3 years i.e. with effect from 1st June, 2023 to 31st May, 2026, on the following terms & conditions :

1. The Executive Director (Fin) & CFO 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 / the Managing Director.

2. The re-appointment is made with effect from 1st June, 2023 to 31st May, 2026.

3. REMUNERATION :

(a) Salary & Allowances: ₹ 3.16 Lacs p.m. (Basic Salary ₹ 1.55 lacs & Allowances ₹ 1.61 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-imburement 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) Personal Accident Insurance & Mediciam Insurance as per rules of the company.

CATEGORY 'B'

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 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).

Save and except Shri M.G. Sharma and his relatives to the extent of their shareholding interest, if any, in the company

with regard to his appointment, none of the other Directors / Key Managerial Personnel and their relatives are in any way, financially or otherwise, concerned or interested, in the above resolution.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Khushwinder Kumar & Associates as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024.

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/- plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the financial year ending March 31, 2024 by passing an Ordinary Resolution as set out at Item No.5 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives are, in any way, financially or otherwise, concerned or interested, in the above 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. Authorised Representatives of the corporate members intending to participate in the AGM pursuant to section 113 of the Act, are requested to send to the company an email at: cssukhjit@gmail.com, a certified copy of the relevant Board Resolution/ Authority Letter etc. authorizing them to attend the meeting.
3. 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. In consonance with the MCA circulars/ SEBI circular dated May 12, 2020 and MCA general circular no. 02/2020 dated January 13, 2021 / SEBI circular no. 11 dated January 15, 2021, in view of COVID-19 pandemic, the notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only through 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. The members, who have not registered their E-mail IDs with the company are, once again, requested to kindly register / update their e-mail IDs by following the below mentioned link <https://www.sukhjitgroup.com/email-registration>

Members may note that the said Notice and the Annual Report will also be available on the Company's website www.sukhjitgroup.com and on the websites of the Bombay Stock Exchange (BSE) www.bseindia.com & the National Stock Exchange (NSE) www.nseindia.com

4. The details of the directors seeking appointment/re-appointment as required by Regulation 26(4) & 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed herewith marked as "Annexure1". The Board of Directors has recommended all the proposed appointments/re-appointments of the Directors.
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. Members may please note that SEBI vide its circular dated January 25, 2022 has mandated the listed companies to issue securities in DEMAT form only while processing service requests viz issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available at company's website at <https://www.sukhjitgroup.com/> Form-ISR-4 and on the website of the Skyline Financial Service Pvt. Ltd. at <https://www.skylinerta.com/>. It may be noted that any service request can be processed only after the folio is KYC compliant.
7. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer/ transmission/transposition shall be processed only in DEMAT form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to Dematerialize the shares held by them in physical form. Members can contact the company or Skyline Financial Services Pvt. Ltd, for assistance in this regard.
8. As per the provisions of section 72 of the Act and SEBI circular, the facility for making nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form SH-13 to the RTA in case of shares held in physical form. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the company's website. Members are requested to submit the said details to their DP in case the shares are held by them in DEMAT Form.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from 05.08.2023 to 11.08.2023 (both days inclusive).
10. The facility of remote E-voting is being provided to the members to cast their votes in regard to the above resolutions. The members, holding shares either in physical form or in demat form, as on the **Cut-Off date** of 04.08.2023 (end of business hours), may cast their vote by e-voting. Any person who acquires shares of the company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date for e-voting, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote-e-voting then he/she can use his/her existing user ID and password for casting the vote.
11. 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-ShareTransfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
12. 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 & Rules thereunder.
13. Members, who have not en-cashed their dividend warrants for Interim Dividend 2018-19, 2021-22 & 2022-23 and Final Dividend for the financial year 2016-17, 2017-18, 2019-20 & 2020-21 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
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026
2019-2020	13.08.2020	12.08.2027
2020-2021	06.08.2021	05.08.2028
2021-2022 (Interim Dividend)	11.02.2022	10.02.2029
2022-2023 (Interim Dividend)	05.12.2022	04.12.2029

14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Every person, who becomes the nominee under the provisions 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.
15. 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.
16. The Company has appointed Mr. Parminder Pal Singh Rally, Practicing Company Secretary (Membership No. 6861), Partner of M/s P.S. Rally & Associates as 'Scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.

Procedure for remote E-Voting for AGM

1. The e-voting period commences on Tuesday, 08.08.2023 (9:00 am) and ends on Thursday, 10.08.2023 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the **Cut-Off date** of 04.08.2023 (end of business hours), may cast their vote by e-voting. The e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**
2. The voting rights of the members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the **Cut-Off Date i.e. 04.08.2023.**
3. The Scrutinizer, after scrutinizing the votes cast at the AGM & through e-voting, will not later than 48 hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the

Chairperson/Managing Director or a person authorized by him in writing. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company-www.sukhjitgroup.com and on the website of NSDL. The results shall be simultaneously communicated to the Bombay Stock Exchange and the National Stock Exchange.

4. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed.
5. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide e-voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER :-

The remote e-voting period begins on Tuesday, August 8, 2023 (9:00 a.m. IST) and ends on Thursday, August 10, 2023 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 4, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 4, 2023.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period Ifyou are not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following [URL: https://www.evoting.nsdl.com/](https://www.evoting.nsdl.com/) either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physi-cal Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***



5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
 3. Now you are ready for e-Voting as the Voting page opens.
 4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

 1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to parminderrally@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or

send a request to Manager / Astt. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400013, at the designated email id evoting@nsdl.co.in

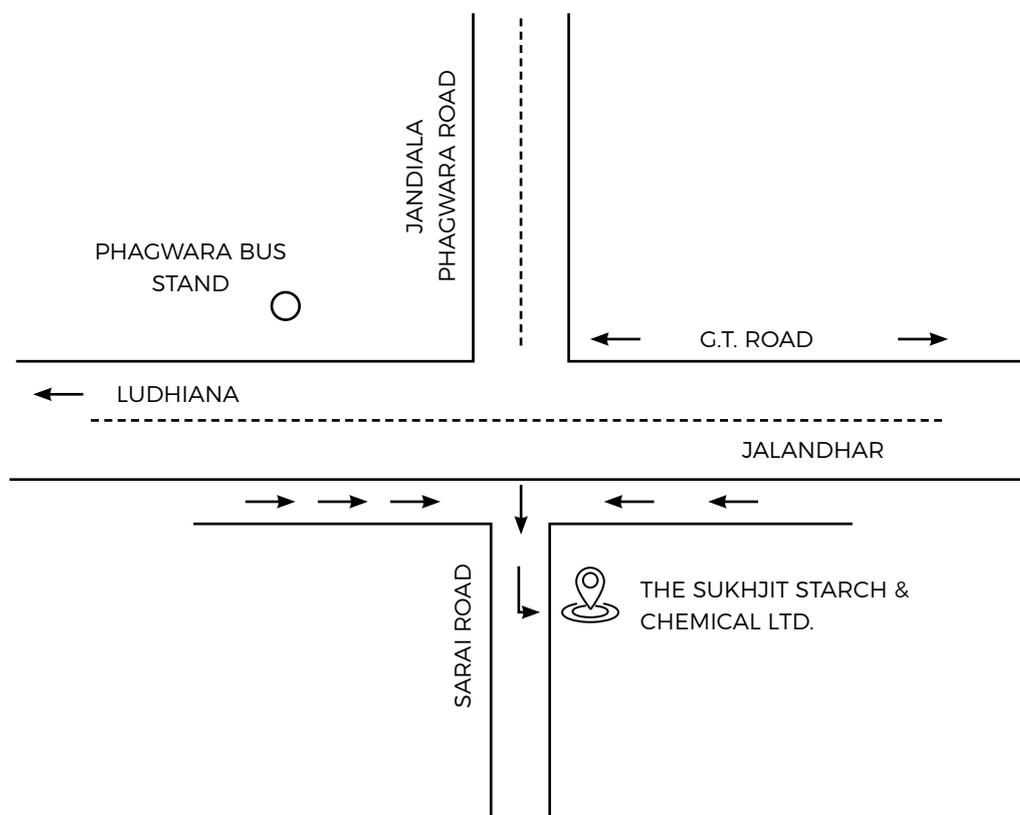
Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to M/s Skyline Financial Services Private Limited (RTA of the Company at admin@skylinerta.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy

of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to M/s Skyline Financial Services Private Limited (RTA of the Company at admin@skylinerta.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Route Map to the venue of the AGM





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	Smt. Manjoo Sardana	Sh. Tarsem Singh Lally	Sh. M.G. Sharma
DIN	08533106	00381009	00398326
Date of Birth	27-10-1952	17-09-1944	14-06-1953
Age	69	79 years	70 years
Date of first ap-ointment on the Board	08-08-2019	13-08-2020	01-08-2016
Qualifications	Graduate	B.E. (Mechanical)	B.Sc., F.C.A., A.C.S., D.B.I.M.
Experience and Exper-tise	Over 41 years	Over 48 years	Over 40 years
Number of Meetings of the Board attended during the year	8 out of 8	7 out of 8	8 out of 8
List of Directorship of other Board	-----	<ul style="list-style-type: none"> • Lally Motors India Pvt. Ltd. • Lally Motors Services Pvt. Ltd. • Lally Hotels Pvt. Ltd. • Dee Aar Finance & investment Pvt. Ltd. • Lally Motors Pvt. Ltd. • Prince Bus & Transport Co. Ltd. • Lally Performance Cars Pvt. Ltd. • Gautam Iron Mills Pvt. Ltd. • Sukhjit Mega Food Park & Infra Ltd. 	-----
List of Membership / Chairmanship of Committees of other Board	-----	Chairman of Audit Committee of Sukhjit Mega Food Park & Infra Ltd.	-----
Shareholding in The Sukhjit Starch & Chemicals Ltd.	1716097	NIL	5320
Relationship with other directors, manager and other Key Managerial Personnel of the Company	-----	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.

Directors' Report

Dear Share Holders :

Your Directors are pleased to present before you the 79th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2023 :-

1. FINANCIAL RESULTS

	(₹ in Crores)	
	F.Y. 2022-23	F.Y. 2021-22
Sales & Other income	1436.97	1158.40
Earning before Interest, Tax and Depreciation	144.70	153.03
-- Interest	25.33	20.88
-- Depreciation	26.63	24.74
Profit before tax	92.74	107.41
-- Current Tax	18.30	25.00
-- Deferred Tax	4.30	2.60
-- Taxes related to previous years	--	2.52
Profit After Tax	70.14	77.29
Surplus brought forward from previous year	16.88	28.78
Transfer to General Reserves	50.00	70.00
Final Dividend	--	4.43
Interim Dividend	12.50	14.76
Surplus carried forward	24.52	16.88

2. PERFORMANCE

- The Company has achieved highest ever sales of ₹ 1435.25 crores (PY ₹ 1157.19 crores) registering a growth of 24% during FY 2022-23.
- The EBITA (Earnings before Interest, Tax and Depreciation) stood at ₹ 145 Crores v/s ₹ 151 crores during the previous year.
- After a charge of interest of ₹ 25.33 crores (₹ 20.88 crores), depreciation of ₹ 26.63 crores (₹ 24.74 crores) and tax of ₹ 22.60 crores (₹ 30.12 crores), the Net Profit after tax came at ₹ 70.14 crores (₹ 77.29 crores) for the year.

The EBITA and profit margins were adversely affected, across the Industry, due to higher raw material prices & increased energy cost, mainly owing to the geo political situation / global disturbance during the year ended 31st March, 2023.

3. DIVIDEND

The Company had declared and paid an interim dividend of ₹ 8/- per Equity Share of face value ₹ 10/- each (i.e. 80%) in the month of December, 2022. The Board has considered the said interim dividend of

₹ 8 per equity share as the final dividend for the financial year 2022-23 (against ₹ 10/- per equity share during FY 2021-22) in order to conserve resources for future expansions in the operations of the Company.

The Dividend Distribution Policy, in terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') is available on the Company's website on <https://www.sukhjitgroup.com/dividend-distribution-policy>

4. TRANSFER TO RESERVES

After payment of the interim dividend of ₹12.50 crores in December, 2022, the Company was left with ₹ 74.52 crores surplus out of which ₹ 50 crores have been transferred to the general reserves (PY ₹ 70 crores) and ₹ 24.52 crores have been carried forward in the retained earnings account.

5. SHARE CAPITAL

The paid up share capital of the Company stood at ₹ 15.62 crores as on 31.03.2023. There was no issue of fresh shares by way of public issue, bonus issue, right or preferential issue during the financial year 2022-23.



6. CAPEX & WORKING CAPITAL POSITION

The total Non Current Assets (including capital work-in progress) of the Company appeared at ₹ 512.53 crores as on 31.03.2023 against ₹ 507.31 crores as on 31.03.2022 after providing depreciation of ₹ 26.63 crores during the year (₹ 24.74 crores).

The Company has made a Capital expenditure (on addition of fixed assets) of ₹ 34.77 crores during the year on account of balancing / upgrading of its manufacturing facilities.

The Board of Directors has approved Capital expenditure of ₹ 37 crores for the financial year 2023-24, which will be used for upgrading / modernizing some key equipments of the units to ramp up the capacities at the existing locations. The proposed Cap-ex will be met out of the internal accruals of the company.

The Current Assets of the Company appeared at ₹ 392.30 crores on 31.03.2023 as compared to ₹ 275.38 crores on 31.03.2022 including Inventories at ₹ 167.67 crores against ₹ 96.05 crores in the previous year due to higher holding of the basic raw material, which is seasonally available.

The company has long term Bank Borrowings of about 30 crores (payable in a period of two years after the end of the running financial year), net of the current maturity of the term loans of ₹ 20.09 crores payable till 31.03.2024.

The internal accruals of the company will be enough to take care of this repayment & strengthen the working capital of the company. However, company has liquid investments of ₹ 77.52 crores against ₹ 65.90 crores last year as an additional cushion to the liquidity of the company.

The management believes that the Company has sufficient liquid resources at hand to meet up any additional working capital requirements / other business exigencies.

7. MANAGEMENT DISCUSSION AND ANALYSIS

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

8. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business scrupulously with due compliance of all the applicable laws, rules and regulations. In pursuance to the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

as amended to date, the report on the Corporate Governance is annexed to this report marked as 'Annexure B'.

9. 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, 2023, 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;
- (d) the Annual Accounts for the year ended 31.03.2023, 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.

10. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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 continued providing necessary engineering support to the manufacturing operations of the Company.

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 already been disposed of and efforts are on to realize the old dues from its customers and wind up the Company.

Sukhjit Mega Food Park & Infra Ltd., Phagwara:

The Company held 100% of shares in the capital of its material subsidiary Sukhjit Mega Food Park & Infra Ltd. The Company had operationalised its project of the Mega Food Park in the state of Punjab in FY2020-21 creating a State of Art Technology Infrastructure for setting up food processing units in the Mega Food Park. A good part of its assets have been leased out and operationalised. However, the expected Investments in the Mega Food Park got delayed owing to the outbreak of Covid as the prospective investors, instead of investing in new projects, remained occupied for a long time, in protecting their existing businesses. The Company is however, cash positive during the year and expects to improve its revenues in the coming years.

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 annexed to 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, 2023 is annexed to the consolidated results forming part of the Annual Report.

In accordance with Section 136(1) of the Act, the audited financial statements including the consolidated financial statements and related information of the Company and the separate financial statements of each of the subsidiary companies, are available on the Company's website at <https://www.sukhjitgroup.com>. The annual accounts of these subsidiaries and the related detailed information will be made available on demand, to any shareholder of the Company who may be interested in seeking such information. Copies of the above documents are also available for inspection by any shareholder of the Company at the registered office of the Company during business hours.

11. 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/ KMPs/ Employees are set out in the '**Annexure C**' to the Directors' Report.

12. DIRECTORS

- (a) Smt. Manjoo Sardana (DIN: 08533106), Non Executive Chairperson of the Company, is retiring by rotation and being eligible, offers herself for reappointment. Board recommends her reappointment as the Non Executive Chairperson of the Company.
- (b) The existing tenure of Sh. Tarsem Singh Lally, a Non Executive Independent Director of the Company (DIN : 00381009) is expiring on 12/08/2023. Sh. Tarsem Singh Lally is an Engineering Graduate and an experienced entrepreneur with sound business background. He has lifelong commercial/ technical experience of over 48 years in various fields to his credit. His continuance as a member of the Board will enrich the board deliberations and strengthen its composition. The Board of Directors has recommended his re-appointment for a further period of 3 years i.e. w.e.f 13/08/2023 upto 12/08/2026, subject to the approval of shareholder's in the ensuing Annual General Meeting.
- (c) The Board has re-appointed Sh. M.G. Sharma (DIN: 00398326) as Executive Director (Fin.) & CFO of the Company in its meeting held on 27.05.2023 (subject to approval of the members in the ensuing General Meeting) as his existing term expired on 31.05.2023. Sh. M.G. Sharma has been associated with the company for over four 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 functions of the Company. The Board, therefore, in the overall interest of the company, recommended his re-appointment as Executive Director (Fin.) & CFO for a further period of 3 years i.e. with effect from 1st June, 2023 to 31st May, 2026.
- (d) 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 / continue as Independent Directors under the provisions of the Act and rules thereunder.
- (e) 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 individual directors and also the Board as a whole, which, inter-alia, include :

- evaluation of leadership abilities
- contribution to corporate objectives & plans
- regular monitoring of performance
- effective decision making ability
- attendance / contribution at Board and Committee meetings etc.

The Company has in place a suitable Policy for the Appointment & Remuneration of the Directors/ KMPs. The Company has devised the Board's Performance Evaluation criteria for evaluation of Board's / Committees' / Directors' performance. The performance of the Committees was evaluated by the Board on the basis of the criteria such as the composition of committees and effectiveness of committee meetings etc.

The Independent Directors in their Separate Meeting reviewed the performance of Non- Independent Directors, the composition & performance of the Board of Directors as a whole, frequency of Board meetings etc. The Independent Directors also reviewed the performance & participation of the Chairperson of the Company. Such proceedings were placed on record and discussed in the Board Meeting following the meeting of the Independent Directors. The Board of Directors expressed their satisfaction over the evaluation process.

13. MEETINGS OF THE BOARD

Eight (8) meetings of the Board of Directors were convened and held during the financial year 2022-23. The maximum intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and Listing Regulations. The further details of Board/Committee Meetings including composition and attendance are set out in the **'Annexure B'** the Corporate Governance Report, forming part of this Report.

14. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Section 177 of the Companies Act, 2013 ('the Act') and Regulation 18 of the SEBI (LODR) Regulations, 2015, as applicable, besides other matters as referred by the Board of Directors from time to time.

The primary objectives of the audit committee inter alia include :

- 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,
- to oversee the financial reporting process by the Management, the internal auditors and the independent auditors,
- to take all possible measures 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 operational results, 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. Ranbir Singh Seehra as the Chairman, Sh. Vikas Uppal, Sh. Saravjit Singh Hothi and Sh. M.G. Sharma as its members. All recommendations made by the Audit Committee during the year were accepted by the Board.

15. INTERNAL FINANCIAL CONTROLS

Internal financial control systems of your company provide for proper authorisation of the transactions, timely recording & reporting in the desired manner to 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 its size and nature of business. The management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

16. VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 & rules made thereunder and the 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. The Whistle Blower Policy of the Company stands placed on the Company's website at the link: <https://www.sukhjitgroup.com/whistle-blower-policy>

17. RISK MANAGEMENT POLICY

The company recognizes that the risk management and internal control are the key elements for sustainable working of an organization and good corporate governance. It has formulated the Risk Management Policy which describes the manner in which the company identifies, assesses, monitors and manages risks. The details of the policy are available at company's website at <https://www.sukhjitgroup.com/risk-management-policy>

18. 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 31/03/2023.
- (ii) Unsecured Loans as on 31/03/2023 include ₹ 0.55 crores (P.Y. ₹ 0.52 crores) received from directors, which have been made out of their own funds and not from the funds acquired by them by borrowing or accepting loans or deposits from others, as per the declarations received from the concerned directors.
- (iii) The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors, Committee Meetings and the General Meetings.
- (iv) No shares have been issued during the year under reference with differential rights as to dividend, voting or otherwise.
- (v) 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.
- (vi) There are no material changes or commitments affecting the financial position of the Company which occurred between the end of the financial year to the date of this report.
- (vii) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 against the Company or any of its subsidiaries.
- (viii) There is no change in the nature of company's business during the year under review.
- (ix) 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 there under.
- (x) The Board has constituted an Internal Committee for redressal of grievance(s) / complaint(s) (if any) under the provisions of the "Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The committee has not received any complaint during the year under reference.
- (xi) In view of the relaxation granted by MCA /SEBI amid Covid-19 pandemic and as per the Green Initiative taken by MCA, the Company is serving its shareholders all communications / documents including Annual Reports, Notices, Circulars etc. through electronic mode. The shareholders who have not registered / updated their Email IDs with the Company / RTA are, once again, requested to kindly register /update the same with the Company / RTA in case of physical shares and with their Depository Participants in respect of shares held in Demat form.
- (xii) There has been no default in repayment of deposits or payment of interest thereon during the year.
- (xiii) There was no instance during the year where the recommendations of any committee were not accepted by the Board.
- (xiv) The requirement to disclose the details of difference between the amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities carried out during the financial year 2022-23 is annexed herewith marked as '**Annexure D**' to this report.

20. INSIDER TRADING PREVENTION CODE

Pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto, the Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by the Designated Persons. The Code is to prevent Insider



Trading by the Directors and other Designated Persons who are considered to have access to the Unpublished Price Sensitive Information relating to the Company.

21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its 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 and approval by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. The transactions with the subsidiary companies mainly include the supply of some key infrastructural facilities and utilities by Sukhjit Mega Food Park and Infra Ltd., which is a wholly owned subsidiary of the Company. However, the transactions with subsidiary Companies are incurred after due appraisal, approval(s) at appropriate levels and omnibus approval by the Audit Committee / Board, which are in the ordinary course of business and are at an arm's length price. In terms of IND AS-24, the details of such transactions are duly presented in 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: <https://www.sukhjitgroup.com/policy-on-dealing-with-related-party-transactions>

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

Particulars of loans given and Investments made by the Company 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. The company has also provided Corporate guarantee(s) for ₹ 40 crores to the Yes Bank Ltd. against the Term Loan for setting up the Mega Food Park by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. The outstanding balance of term loan appeared at ₹ 18 crores due to the Yes Bank Ltd. as on 31.03.2023. There is no any other Guarantee / third party Guarantee / security given / provided by the Company.

23. 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 : <https://www.sukhjitgroup.com/annual-return>

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

The necessary details are annexed herewith as '**Annexure F**' to this report.

25. TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the company has transferred during FY 2022-23 :

- (a) ₹ 10,68,045/- as unpaid / unclaimed dividend for FY2014-15 to the Investor Education and Protection Fund (IEPF).
- (b) ₹ 10,92,495/- as unpaid / unclaimed interim dividend for FY 2015-16 to the Investor Education and Protection Fund (IEPF).
- (c) 8592 shares to the demat account of the IEPF Authority on which dividend has not been paid / claimed by the shareholders for 7 (seven) consecutive years or more.

26. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

M/s Y K Sud & Co., Chartered Accountants (FRN 000047N), 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 Y K Sud & Co., 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. The Company has paid a sum of ₹ 7.08 lacs (incl. GST) to M/s Y K Sud & Co., Chartered Accountants as audit fees during the Financial Year ended 31st March, 2023.

The Auditors' report for the financial year ended 31/03/2023 does not have any qualification, reservation, adverse remark or disclaimer 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 2023-24, subject to the approval of the Central Government. The Cost Audit Report for the financial year ended 31st March, 2023 is due to be filed with the Ministry of Corporate affairs on or before the 30th September, 2023 and the cost audit report for the financial year ended 31/03/2022 was duly filed within the due dates.

Secretarial Auditors :

The Board has re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2023-24.

The Secretarial Audit Report for the financial year ended 31st March, 2023, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations along with the Secretarial Audit Report of the material subsidiary company is set out in '**Annexure H**' to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

27. ACKNOWLEDGEMENT

Your Directors hereby acknowledge the dedication, loyalty, hard work, solidarity and committed services of the executives, staff & workers of the Company. They would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, government authorities, business associates, shareholders, vendors, customers and other stakeholders and for the confidence reposed in the Company and its management and look forward to their continued support.

Yours truly,
For and on behalf of the Board,

Sd/-
MANJOO SARDANA
Chairperson

Sd/-
K.K. SARDANA
Managing Director

Dated : 27th May, 2023



Annexure 'A' to the Directors' Report

Management Discussion and Analysis

Economic overview

Global economy

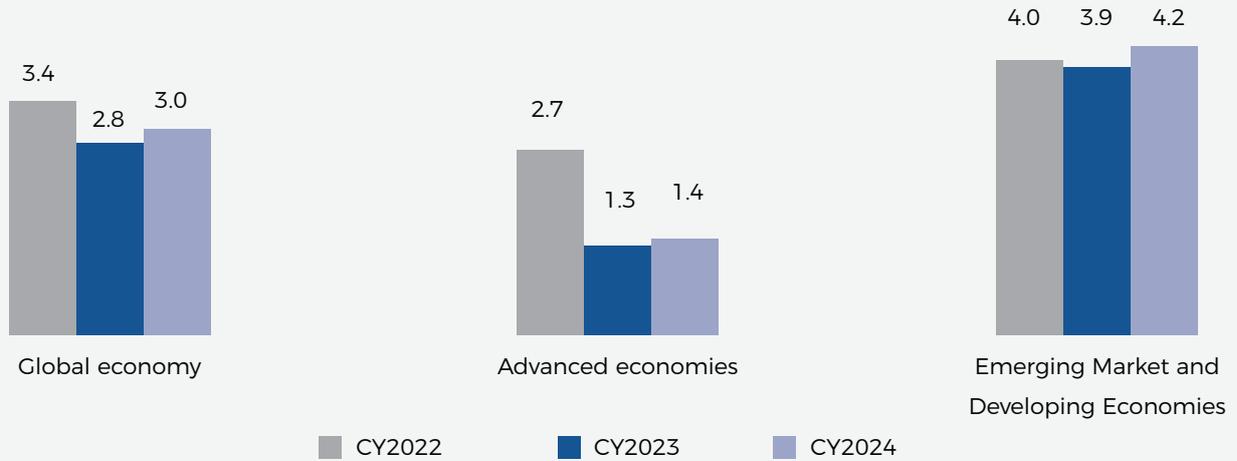
The global economy was roiled by volatile food and commodity prices and elevated inflation. The Russia-Ukraine conflict, which caused supply chain disruptions worldwide, exacted a heavy toll on the economy. The rising costs of living, inflated food and commodity prices and tightened liquidity conditions also impeded global economic growth.

Supply chain constraints and market volatility have considerably dampened consumer sentiment and lowered capital outflows. Several nations continue to grapple with persistent demand-supply imbalances and decadal-high inflation rates. To tame inflation and achieve price stability, central banks around the world have responded with synchronised rate hikes and tightened monetary policies.

At the end of FY23, the global economy recovered gradually from the waning effects of the pandemic and geopolitical tensions. The global economic output is expected to witness steady growth, driven by stabilising inflationary pressures, reviving consumer sentiment and investor confidence.

Global growth is expected to experience a temporary slowdown, reaching a growth rate of 2.9 % in 2023. However, this is anticipated to be followed by a positive rebound, with growth projected to rise to 3.1 % in 2024. Advanced economies are projected to expand by 1.3% in 2023. Moreover, there is optimistic anticipation of a decline in global headline inflation from 8.7% in 2022 to 7.0% in 2023, primarily driven by a decrease in commodity prices. Underlying inflation is likely to decline more slowly, but total inflation is expected to rise. These projections indicate a steady and positive trajectory for the global economy.¹

GDP growth projection (in %)



[source: World Economic Outlook, IMF April 2023]

Outlook

Despite inflationary pressures, the global economy is supported by a solid labour market, increased domestic spending, an injection of foreign capital, and Europe's sensible response to the oil crisis. The tightening of monetary policy by the central banks is anticipated to rein in sticky inflation and promote long-term growth.

Indian economy

The Indian economy remained resilient in the face of global challenges and has maintained its position as one of the fastest-growing major economies.

India's GDP rose by 6.1 % in the fourth quarter of 2022-23 to raise the yearly growth rate to 7.2% in FY23.² India's exceptional growth rates of 7.2% in FY23 and 6.1% in Q4 show that its economic narrative continues to emerge.

¹IMF, April 2023 World Economic Outlook.

²<https://www.livemint.com/news/india/market-reactions-to-gdp-data-which-slows-to-7-2-in-fy23-11685537229772.html>

Additionally, the country's stable inflation rates, higher disposable income and continued investment in infrastructure development are expected to contribute positively to economic growth in the future. Prudent measures taken by the government and the Reserve Bank of India (RBI) have managed to stabilise inflation in the country.

In the second quarter of FY23, private consumption accounted for 58.4% of the GDP, supported by the recovery of consumer sentiments. It is expected that FY24 will witness a rapid and consistent expansion due to heightened capital investment, the recovery of export trade following the pandemic, and the reduction of global uncertainties.

Various high-frequency indicators, such as GST collections, railway and air traffic, electronic toll collections and E-Way bill volume, suggest a robust economic recovery in India. This persistent growth momentum has positioned India as an attractive investment destination.

Outlook

Despite global challenges, India's economic activity has remained robust due to a favourable domestic policy environment and the Government's continued emphasis on structural reforms

Stabilising inflation, narrowing the current account deficit, improving consumer sentiments and a favourable policy environment are likely to aid the Indian economy. Moreover, government initiatives like Atmanirbhar Bharat, PM Gati Shakti and the Production-linked Incentive (PLI) scheme would contribute to economic growth by increasing local output.

A combination of rising disposable income, easy access to credit and lowering interest rates in the wake of a stabilising inflation trajectory will bode well for economic growth going forward.

Industry overview

Global starch industry

The global industrial starch market grew from USD 84.29 billion in 2022 to USD 92.14 billion in 2023 at a CAGR of 4.8% from 2021 to 2026.³ The geopolitical tension has led to a surge in commodity prices and supply chain disruptions, causing inflation across products and services, and affecting markets across the globe.

The industrial starch sector includes the sale of oil, gluten meal, and gluten feed. The prices at which things are sold

directly to customers or other businesses are referred to as 'factory gate values' in this market. Industrial starch is derived from a variety of natural sources, including rice, wheat, potato, maize, and tapioca.

During the forecasted period, Asia-Pacific is expected to be the fastest-expanding region. Asia-Pacific, Western Europe, Eastern Europe, North America, South America, the Middle East, and Africa are the areas included in the industrial starch market report.

Outlook

As the world population continues to grow, so does the demand for starch-based products. The global starch market is expected to grow at a compound annual growth rate (CAGR) of 4.8% from 2021 to 2026. One of the key drivers for this growth is the increasing demand for convenient food products which often use starch as a thickener or stabiliser. In addition, the rise in health-conscious consumers has led to an increase in demand for natural and organic starch products.

The Asia-Pacific region is the largest market for starch, accounting for over 40% of global consumption.⁴ This can be attributed to the large population and expanding food industry in countries such as China and India. Europe and North America are also significant markets for starch, driven by the demand for processed food products.

Indian starch industry

The Indian starch market attained a valuation of USD 527.5 million in the year 2022. It is projected to reach a substantial value of USD 809.5 million by the year 2030, with a projected compound annual growth rate (CAGR) of 5.5% during the forecast period spanning from 2023 to 2030.⁵

The easy access to maize and its diverse applications in industries such as food and beverage, pharmaceutical, animal feed, textile, and paper, among others, may be attributed to the growth of the Indian maize starch market. The India Corn Starch Market's application category was led by the food and beverage sector. The market for maize starch in India has expanded as a result of both the fast population expansion and the increasing industrialisation of the country.

Challenges

Despite the optimistic growth estimates, various obstacles may limit the global starch industry. One of the key challenges is the volatility of raw material prices, particularly for maize and wheat. This has the potential to significantly impact the profitability of starch makers.

³<https://www.linkedin.com/pulse/starch-market-2023-size-professional-survey-forecast>

⁴<https://www.linkedin.com/pulse/starch-market-2023-size-professional-survey-forecast>

⁵<https://www.giiresearch.com/report/dmin1285090-india-modified-starch-market.html>



Opportunities

The global starch market presents several opportunities for manufacturers and investors. The creation of new starch products with improved functional qualities is one of the main areas of concentration. For instance, the food sector has a strong need for modified starches that can endure high temperatures and have better water solubility. Further, the per capita consumption of starch in India is very low against the world average and is just 25% of China, our neighbouring Country. Such a big gap leaves a lot of scope for the Indian starch industry to grow in the coming decades.

Another opportunity lies in the expansion of industrial applications of starch. Starch-based products are used in a number of industries, including paper, textiles, and adhesives, especially in biodegradable packaging as a substitute for plastics. This presents a significant growth potential for the starch industry.

Outlook

The starch industry is expected to witness significant growth in the coming years. The implementation of new technologies and innovative solutions will drive the market's revenue generation and increase its market share by 2028.

The industrial starch market is highly fragmented, with many local, regional, and international players competing for market share. The demand for starches is increasing in tandem with the rapid development of the food industry. Starches offer many functional benefits to various foods, such as bakery items, snacks, beverages, and nutritional foods. Currently, the market offers a diverse range of starches, including native starches, modified starches,

malt dextrin, sorbitol, starch-based sugars, and others. These starches have expanding applications, primarily in the beverage and confectionery industries and the pharmaceutical, health care and fermentation industries, amongst others.

Company overview

Sukhjit Starch and Chemicals Limited (Sukhjit) was incorporated in the year 1943 by two judicious young entrepreneurs who saw the enormous potential of Maize and set up a Corn Wet Milling facility in Punjab. Since its humble beginning with 1800 TPA of corn grind, Sukhjit has expanded through judicious and innovative utilisation of its unique traditions to meet the challenges of the future. From a modest beginning of 1,800 TPA of Corn Grind in 1943, the Company has grown to around 550,000 TPA of Corn Grind spread across four manufacturing locations within India and is one of the market leaders of the starch industry.

The Company's more than 75 years of technical competence ensures the finest end-use adaptation. Along with Native Starch, the Company also produces Modified Starches, Dextrins, Liquid Glucose, HMS, Malto-Dextrin, Mono-Hydrate Dextrose, Anhydrous Dextrose, Sorbitol-70% Solution, and a variety of by-products to serve a wide range of Industries.

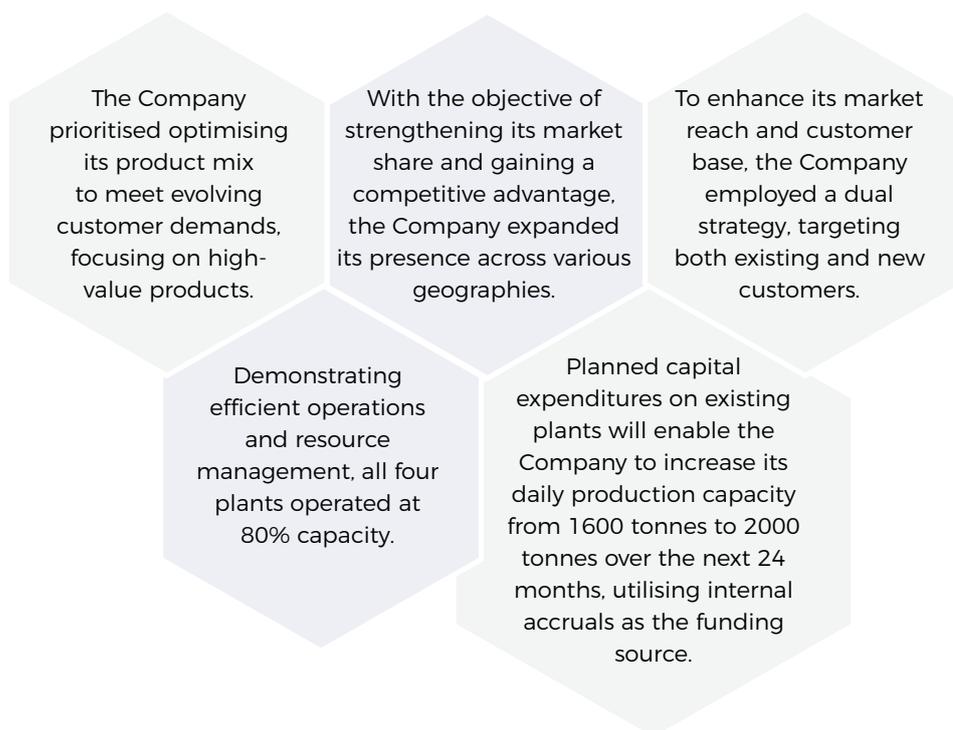
Sukhjit has recently completed the New Unit in Punjab with a maize grinding capacity of 600 TPD and the Mega Food Park project with a total CAPEX of over \$ 40 million. CRISIL Ratings Limited has assigned the Company credit ratings of CRISIL A1 (A One) for short-term debts and CRISIL A +/STABLE for long-term debts, confirming its market-leading creditworthiness.

Financial performance

(₹ in Crores)

	FY23	FY22
Revenue from operations (in ₹ crore)	1,435.25	1,156.76
Other income (in ₹ crore)	1.72	1.64
Total income (in ₹ crore)	1,436.97	1,158.40
Profit before tax (PBT) (in ₹ crore)	92.74	107.41
Profit after tax (PAT) (in ₹ crore)	70.14	77.29
Basic Earnings Per Share (EPS) (In ₹)	44.90	49.47
Diluted Earnings Per Share (EPS) (In ₹)	44.90	49.47

KEY HIGHLIGHTS OF THE YEAR AND OUTLOOK



Human resource

Human resources are an essential component for the Company's long-term success. In order to attract, retain, and develop its talent pool, the Company has endlessly identified potential, offered training, and upheld the golden rule of rewarding performance.

With the objective of cultivating a highly productive work environment, the Company empowers all employees to reach their full potential and encourages their professional and personal growth. The Company prioritises the well-being of its teams and promotes a healthy work-life balance. Additionally, the Company actively engages in various skill-development initiatives, fostering a culture of continuous learning and growth for both employees and the organisation as a whole.

Research and development (R&D)

The Company has a strong R&D arm and because of this, it is in a position to be the preferred choice of the customers. The Company's R&D is centred at Phagwara and is a resource centre for all its units. The R&D program 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.

The Company has spent about Rs. 62.15 lakh during the year compared to Rs. 46.58 lakh during the previous year, in pursuit of improving the quality of the product line, developing new products and improving their applications.

Corporate social responsibility (CSR)

As a responsible corporate citizen, the Company aspires to pursue CSR projects that are replicable, scalable, and sustainable with a significant multiplier impact on society and the environment. Continuous efforts are made to enhance operational effectiveness, optimising the use of natural resources and reducing the carbon footprint. At Sukhjit, sustainability is embedded in its business strategy and is dedicated to environment-friendly business practices across its value chain.

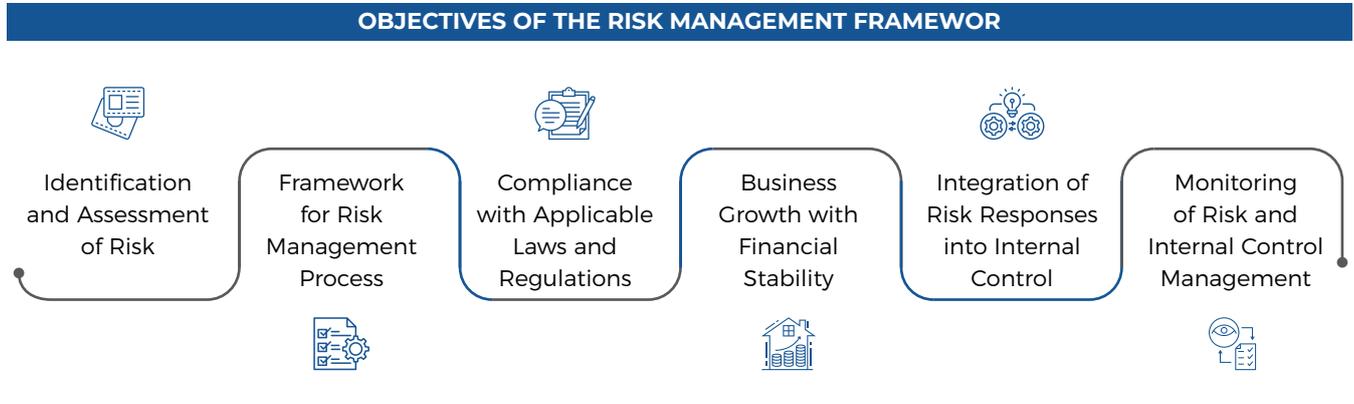
Risk management

The Company's Risk Management framework stands as a beacon, guiding its operations through unpredictable threats. It embraces the essence of good corporate governance, recognizing the vital role of risk management and internal control in nurturing sustainable growth and financial stability. The policy extends its protective wings over every aspect of the Company, fostering a culture that embraces risk awareness, immediate reporting, and effective mitigation measures.

From the vast landscape of external factors, including economic fluctuations, regulatory landscapes, and technological evolution, to internal risks like operational challenges and market uncertainties, the policy casts a watchful eye. It empowers the entire management team to shoulder the responsibility of risk management, driving them to identify, mitigate, and navigate potential pitfalls.



Under the guidance of a diligent Risk Management Committee and the oversight of the Board of Directors, the Company implements a comprehensive policy. The framework strategically safeguards its objectives by incorporating measures such as location decisions, customer diversification, stock management, and compliance. Through its commitment to risk management, it cultivates an environment of continuity and prosperity, ensuring the best interests of its stakeholders are upheld with grace and diligence as it navigates forward.



Internal control systems and adequacy

The Company has strong internal control mechanisms in place to guarantee that all transactions are properly documented and reported on time and that all assets are secured against loss due to unauthorised 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 are taken to address the gaps, if any. The Audit Committee of the Board meets at regular intervals and addresses significant issues (if any) raised by both the Internal Auditors and the Statutory Auditors.

Cautionary statement

The Management discussion and analysis report contains forward looking statements based upon the data available with the Company, assumptions with regard to economic conditions, government policies and so on. Despite the Management's continuous monitoring of the market conditions and other factors, 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.

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 endeavors to protect the interest of all concerned, by ensuring that the enterprise adheres to ethical standards, various governing laws and accepted best business practices. The Company emphasizes on the need for full transparency and accountability in all its transactions, in all fairness to the interests of its stakeholders. The company has always remained prompt and regular in discharging its statutory obligations and duties for which the Company is having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

2. BOARD OF DIRECTORS

An effective Board is a pre-requisite for strong and effective corporate governance. The Board of Directors of the 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. The members of the Board meet regularly to discuss key operations of the Company, decide timely actions and direct the executive management accordingly. The Board comprises directors from diverse back grounds with rich experience in business / industry enabling the Board to appropriately guide and direct the Company to perform effectively and efficiently. The key senior management persons are also invited to the Board meetings with their presentations on the working of the Units of the Company or its subsidiaries, to keep the members of the Board fully updated with the latest developments in the business of the Company & add value to their decision making process. The Board has an appropriate composition of executive, non-executive and independent directors to maintain independence and full transparency in the working of the Board of Directors of the Company. 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.

It is confirmed that in the opinion of the Board, the Independent Directors are independent of the management and fulfill the conditions specified in the SEBI (LODR), 2015.

The Composition of the Board and category of Directors as on March 31, 2023 are given hereunder:

Category	Name of Directors	No. of Shares held
Promoter / Executive Directors	Shri K.K. Sardana - Managing Director	1482953
	Shri M.G. Sharma - Executive Director (Fin) & CFO	5320
Non-Executive Promoter Directors	Smt. Manjoo Sardana - Chairperson	1716097
	Smt. Shalini Umesh Chablani	96814
Independent Directors	Shri Tarsem Singh Lally	Nil
	Shri Ranbir Singh Seehra	3000
	Shri Saravjit Singh Hothi	Nil
	Shri Vikas Uppal	2500

As on 31st March, 2023, none of the Directors of the Company were related to each other, as per the provisions of The Companies Act, 2013.

During the Financial Year 2022-23, Eight (8) Board Meetings were held on 21/05/2022, 30/05/2022, 08/07/2022, 13/08/2022, 14/10/2022, 05/11/2022, 05/12/2022 & 10/02/2023.

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 the performance



updates of the Company, business strategy and attendant risks with probable steps to mitigate them. Details of the familiarization programme for the Independent Directors are available on the website of the Company- <https://www.sukhjitgroup.com/familiarisation-programme-for-independent-directors>

The composition of the Board of Directors and their attendance at the meetings during the year with the number of Directorships / Committee positions held by them as on 31st March, 2023 are as under:

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 Committee Positions held in other Indian Public limited Companies		Whether attended last AGM
				Chairman	Member	
Smt. Manjoo Sardana	Non-Executive Chairperson	8	--	--	--	Y
Shri K.K. Sardana	Managing Director	8	2	--	2	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	8	--	--	--	Y
Shri Tarsem Singh Lally	Independent Director	7	1	1	--	N
Shri Ranbir Singh Seehra	Independent Director	7	5	--	3	N
Shri Saravjit Singh Hothi	Independent Director	7	1	2	--	N
Shri Vikas Uppal	Independent Director	7	1	1	1	Y
Smt. Shalini Umesh Chablani	Non Executive Director	7	1	--	1	N

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2023 are as under :

Name of Director	Name of other listed entities in which the concerned Director	Category of Directorship
Shri Ranbir Singh Seehra (DIN: 01572708)	G N A AXLES LIMITED	Whole time Director & CEO
Shri Saravjit Singh Hothi (DIN: 09182046)	G N A AXLES LIMITED	Non-Executive Independent Director

As required under the provisions of Schedule V(C)(2)(h) of the SEBI (LODR) Regulations, 2015, the Board of Directors has identified the core skills/ expertise/ competencies as required in the context of its business(es) for efficient functioning and those actually available with the Board members :-

- (a) Planning & Strategic Management
- (b) Financial Management
- (c) Business Leadership
- (d) Project Management
- (e) Corporate Governance & Compliance
- (f) Marketing & Sales
- (g) Administration & Human Resource Management
- (h) Technology and Innovations
- (i) Risk Management

In the table below, the specific area of focus or expertise of individual board members have been highlighted :

Name of Director	Planning & Strategic Management	Financial Management	Business Leadership	Project Management	Corporate Governance & Compliance	Marketing & Sales	Administration & Human Resource Management	Technology and Innovations	Risk Management
Smt. Manjoo Sardana	√	√	√		√	√			
Sh. K.K. Sardana	√	√	√	√	√	√	√	√	√
Sh. M.G. Sharma	√	√	√	√	√	√	√		√
Sh. Tarsem Singh Lally	√	√	√	√		√	√	√	√
Sh. Ranbir Singh Seehra	√	√	√	√	√	√	√	√	√
Sh. Saravjit Singh Hothi	√		√	√	√		√		√
Sh. Vikas Uppal	√	√	√	√		√	√	√	√
Smt. Shalini Umesh Chablani		√	√			√	√		

Note: Directors may possess varied combination of skills/ expertise in different proportions within the described set of parameters listed herein above.

3. COMMITTEES OF THE BOARD

The Board of Directors has 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 budgets of the Company, oversee the Company's financial reporting process, review with the management the adequacy of internal control systems, hold discussions with auditors about the internal control systems 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 Ranbir Singh Seehra	Independent Director (as Chairman)
Shri Vikas Uppal	Independent Director (as member)
Shri Saravjit Singh Hothi	Independent Director (as member)
Shri M.G. Sharma	Executive Director (Fin) & CFO (as member)

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

		Meetings held during the year	Meetings attended
Shri Ranbir Singh Seehra	Independent Director	06	06
Shri Vikas Uppal	Independent Director	06	06
Shri Saravjit Singh Hothi	Independent Director	06	06
Shri M.G. Sharma	Executive Director (Fin) & CFO	06	06

(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 during F.Y. 2022-23 comprised of Shri K. K. Sardana as its chairman, Shri Vikas Uppal and Sh. Saravjit Singh Hothi as the members. The Committee has been formed to assist the Board in discharging its social responsibilities by way of formulating and monitoring the 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.



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

		Meetings held during the year	Meetings attended
Shri K.K. Sardana	Managing Director	04	04
Shri Vikas Uppal	Independent Director	04	03
Shri Saravjit Singh Hothi	Independent Director	04	04

(iii) Stake Holders' Relationship / Grievance Committee :

The Stake Holders' Relationship / Grievance Committee comprised of Shri Ranbir Singh Seehra as its Chairman, Shri K.K. Sardana & Shri Saravjit Singh Hothi as the members. The Committee has been formed to take care of stakeholders/ investors relationship, redress the Investors Grievances or their complaints (if any) expeditiously, review the measures taken for effective exercise of voting rights by shareholders and other initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

Shri Aman Setia, Vice President (Finance) & Company Secretary is the Compliance officer for complying with the requirements of SEBI, Stock Exchange(s), Registrar of Companies and provisions of the Companies Act, 2013 etc. with respect to implementation of various clauses, rules, regulations and other directives of such authorities.

The Company has not received any complaint during the year, from its shareholders.

The details of meetings of Stake Holders' Relationship / Grievance Committee held during the year are given below :

		Meetings held during the year	Meetings attended
Shri Ranbir Singh Seehra	Independent Director	04	04
Shri K.K. Sardana	Managing Director	04	04
Shri Saravjit Singh Hothi	Independent Director	04	04

(iv) Nomination & Remuneration Committee :

The Board has constituted a Nomination & Remuneration Committee comprising of Shri Ranbir Singh Seehra as its Chairman, Shri Vikas Uppal and Shri Saravjit Singh Hothi as the members. The role of the Committee covers the areas mentioned under section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), 2015 read with Part D of Schedule II of the regulations.

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

		Meetings held during the year	Meetings attended
Shri Ranbir Singh Seehra	Independent Director	03	03
Shri Vikas Uppal	Independent Director	03	03
Shri Saravjit Singh Hothi	Independent Director	03	03

The Remuneration Committee inter-alia deliberated the following matters during the year :

- Recommendation for the reappointment of Sh. Kuldip Krishan Sardana as Managing Director of the Company, who retired by rotation and was reappointed in the Annual General Meeting of the Company.
- Recommendation for the re-appointment of Smt. Shalini Umesh Chablani as a Non Executive Director of the Company w.e.f 20.01.2023 to 30.08.2026.
- Recommendation for the revision in the remuneration / annual increment to the Senior Executives / KMPs of the Company.
- Consideration of performance of Non-Independent Directors, Non-Executive Chairperson and the entire Board of Directors of the Company.

Remuneration to Directors :

During the year, there was no financial / commercial transaction with any non-executive director of the Company except the stipulated remuneration paid to them as Directors.

(a) 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. K.K. Sardana	83.40	45.70	13.19	6.70	--	148.99
Sh. M.G. Sharma	39.89	--	2.04	1.49	--	43.42

(b) Detail of remuneration of Non-Executive Directors during the financial year is given below:-

(Amount in ₹ Lacs)

Name	Salary	Commission	Perquisite Value	Retirement Benefits	Sitting Fees	Total
Smt. Manjoo Sardana	--	15.23	--	--	0.63	15.86
Smt. Shalini Chablani	--	15.23	--	--	0.63	15.86
Sh. Tarsem Singh Lally	--	5.00	--	--	0.63	5.63
Sh. Ranbir Singh Seehra	--	5.00	--	--	0.63	5.63
Sh. Vikas Uppal	--	5.00	--	--	0.63	5.63
Sh. Sarvjit Singh Hothi	--	5.00	--	--	0.63	5.63

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, with a cap of ₹ 5 lacs in a year for each Independent Director of the Company, as per the necessary approvals / sanctions obtained by way of a special resolution passed by the shareholders of the Company. Non-Executive Directors are also paid Sitting Fees 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 of the employees based on the periodical appraisal / 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 human capital and better the performance of its employees, with a view to run the Company's operations efficiently, effectively and profitably. The detailed remuneration policy is available on the website of the company at <https://www.sukhjitgroup.com/remuneration-policy-for-directors-kmps-other-executives>

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Business / Special Resolutions passed
12/08/2022	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Re-appointment of Smt. Shalini Umesh Chablani as Non-Executive Director. 2. Increase / revise the salary of Sh. Dhiraj Sardana, Sr. Vice President & CEO Unit(s). 3. Increase / revise the salary of Sh. Bhavdeep Sardana, Sr. Vice President & CEO Unit(s). 4. To ratify Remuneration of Cost Auditors.
06/08/2021	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 2. Appointment of Sh. Saravjit Singh Hothi as Non- Executive Independent Director. 3. Shift the Registered office of the Company outside the local limits of the city and within the same Tehsil/District of the same state of Punjab. 4. To ratify Remuneration of Cost Auditors.



Date	Location	Time	Special Business / Special Resolutions passed
13/08/2020	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Appointment of Sh. Vikas Uppal as Non- Executive Independent Director. 2. Appointment of Smt. Shalini Umesh Chablani as Non-Executive Director. 3. Appointment of Sh. Tarsem Singh Lally as Non- Executive Independent Director. 4. Resolution for alteration in the Articles of Association (AOA) of the Company. 5. To ratify Remuneration of Cost Auditors.

Further, the shareholders have approved the following business by way of special resolutions passed through postal ballot / remote E-voting, in the month of November, 2022 :

- Sale of land, building & other fixed assets of the unit of the Company at sarai road, Phagwara
- Increase / revise the salary of Sh. Puneet Sardana, Sr. Vice President Operations Unit(s) of the Company.
- Increase / revise the salary of Sh. Pankaj Sardana, Sr. Vice President Operations Unit(s) of the Company.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 11th August, 2023.

The Board had appointed M/s P.S. Rally & Associates, 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 in the Notes to Accounts forming part of the Annual Report. The Company, otherwise, holds 100% equity of two subsidiaries and 96.17% of the third.

- (ii) The Company has duly complied with the guidelines of SEBI and / or other Statutory Authorities related to capital market. There is no penalty imposed or strictures passed against the Company 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 the provisions of Section 177 of the Companies Act, 2013 & rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated its Whistle Blower Policy to establish a Vigil Mechanism for the Directors and the Executives / Employees to report genuine concerns in the phase of its commitment to open communication & ensure good Corporate Governance. This policy intends to act as a neutral and unbiased forum of the Company for the Directors, employees and its stakeholders.

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

- (iv) Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015:

- (a) Pursuant to the said regulations, the Company has established appropriate mechanism to prohibit the insider trading activity.
- (b) Company has devised a Code of Conduct to regulate, monitor & report the trading in shares of the Company by designated persons.
- (c) The Company has in place appropriate Procedures for preserving / timely disclosure of the unpublished price sensitive information.
- (d) The Company maintains requisite communication with designated employees to apprise / update them about their obligations under the Insider Trading Regulations.
- (e) The Prevention of Insider Trading Code is reviewed and amended suitably from time to time to incorporate the amendments, if any, made by SEBI.

- (v) 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 newspapers (daily published) 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 on the websites of the stock exchanges i.e. (www.bseindia.com) & (www.nseindia.com) and the Company's website (www.sukhjitgroup.com). The Company periodically hosts concall(s) with Institutional / other investors & financial analysts etc. for discussing & communicating the business philosophy of the Company, sharing the latest developments and addressing their queries & questions for better understanding of the Company's operations and its performances.

7. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting Date, Time & Place : 11th August, 2023 at 10.00 A.M. at the Registered Office of the Company at Phagwara.
- (b) Financial Year : 2022-2023
- (c) Date of Book Closure : 05.08.2023 to 11.08.2023 (both days inclusive)
- (d) Listing on Stock Exchange : National Stock Exchange & Bombay Stock Exchange
- (e) Stock Symbol (NSE) : SUKHJITS (Listing fee as applicable has been paid)
- (f) Stock Code (BSE) : 524542 (Listing fee as applicable has been paid)
- (g) CIN : L15321 PB1944 PLC 001925
- (h) Registrars & Share Transfer Agents : The Share Transfers are executed by M/s. Skyline Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020 Phone No. (011) 26812682 E-mail ID : admin@skylinerta.com
- (i) Dematerialization of Shares : The Company's 1,52,71,155 Equity Shares are held in dematerialized form on NSDL & CDSL. i.e. 97.75% of equity capital as on 31.03.2023 which include 1,03,43,754 shares held by promoters' (100% in Demat form) and 49,27,401 shares held by public (93.35% held in Demat form).
- (j) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion However the data and likely impact on equity. : The Company has not issued any GDRs / ADRs / Warrants during the year under reference.
- (k) Unpaid Dividends

As per Sections 124 and 125 of the Companies Act, 2013 ('the Act') read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) / ('IEPF Rules'), the dividends, if not paid or claimed for a period of 7 (seven) years from the date of transfer to Unclaimed Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, according to the Act read with the IEPF Rules, all the shares in respect of which dividend has not been paid or claimed by the shareholders for 7 (seven) consecutive years or more are also required to be transferred to the demat account of the IEPF Authority. The Company has been sending separate & regular communications to the shareholders (at their registered addresses with the Company), requesting them to claim their dividends in order to avoid transfer of shares / dividends to the IEPF.

Pursuant to the above, the company has transferred the followings during FY 2022-23:

- ₹ 10,68,045/- as unpaid/unclaimed dividend for FY 2014-15 to the Investor Education and Protection Fund (IEPF).
- ₹ 10,92,495/- as unpaid/unclaimed interim dividend for FY 2015-16 to the Investor Education and Protection Fund (IEPF).
- 8,592 shares to the demat account of the IEPF Authority on which dividend has not been paid / claimed by the shareholders for 7 (seven) consecutive years or more.



The details of unclaimed dividends which are due for transfer to the IEPF account are given hereunder :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026
2019-2020	13.08.2020	12.08.2027
2020-2021	06.08.2021	05.08.2028
2021-2022 (Interim Dividend)	11.02.2022	10.02.2029
2022-2023 (Interim Dividend)	05.12.2022	04.12.2029

Details of the unclaimed dividend and shareholders whose shares are also liable to be transferred to the IEPF Authority are available on the website of the Company.

- (l) Unclaimed Shares Demat Suspense Account : In terms of SEBI (LODR) Regulations, 2015, the Company reports as under :

Dividend for Financial Year	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	500	1,28,244
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	1	100
Number of shareholders to whom shares were transferred from the suspense account during the year	1	100
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 st March, 2023	449	1,28,144

The voting rights on the shares outstanding in the suspense account on 31st March, 2023 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

- (m) Address for Correspondence/ Registered Office :

The Sukhjit Starch & Chemicals Ltd.

Sarai Road, Phagwara, Distt. Kapurthala (Pb.)

Ph. : (01824) 468800

Fax : (01824) 261669

E-mail : sukhjit@sukhjitgroup.com

Website : www.sukhjitgroup.com

- (n) Distribution of Shareholding as on 31.3.2023:

(l) Category

	No. of Shares	Percentage
1. Promoters (including 9,83,140 shares of NRI's)	1,03,43,754	66.21%
2. Corporate Bodies	1,19,698	0.77%
3. NRIs / FFIs / OCBs	2,94,461	1.88%
4. General Public	48,64,087	31.14%
Total No. of shares	1,56,22,000	100.00%

(II) Category wise Distribution of Shares of the Company as on 31.03.2023

Category of Shares	No. of Shares	Percentage to total Shares	No. of Shareholders	Percentage to total Shareholders
1-500	6,54,220	4.19	5755	82.39
501-1000	3,99,430	2.56	535	7.66
1001-5000	19,08,425	7.03	506	7.25
5001-10000	6,04,715	3.87	84	1.20
10001-20000	5,29,368	3.39	37	0.53
20001-50000	10,61,289	6.79	31	0.44
50001-100000	13,08,658	8.38	18	0.26
100001- above	99,65,895	63.79	19	0.27
Total	1,56,22,000	100.00	6,985	100.00

(o) Share Transfer System :

97.75% of the equity shares of the Company are in electronic form, transfer of which is done through the depositories with no involvement of the Company. As regards transmission or transposition of shares held in physical form, the requisite documents can be lodged with our RTA or at the registered office of the Company. The transmission or transposition 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. However, the transfer of shares held in physical form cannot be processed w.e.f. 1st April, 2019 in terms of Regulation 40 of SEBI (LODR) Regulations, 2015 (as amended). The Share Transfer Committee, periodically approves the transfers, under the authority of the board, which are noted by the board at its subsequent meetings.

(p) 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.

(q) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2022-2023 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2022	60845.10	56009.07	617.00	510.00
May, 2022	57184.21	52632.48	569.00	400.50
June, 2022	56432.65	50921.22	486.95	381.10
July, 2022	57619.27	52094.25	550.00	425.00
Aug, 2022	60411.20	57367.47	547.00	450.00
Sept, 2022	60676.12	56147.23	500.00	425.00
Oct, 2022	60786.70	56683.40	480.00	418.00
Nov, 2022	63303.01	60425.47	459.00	366.00
Dec, 2022	63583.07	59754.10	472.00	395.00
Jan, 2023	61343.96	58699.20	470.00	413.20
Feb, 2023	61682.25	58795.97	450.00	386.00
March, 2023	60498.48	57084.91	400.25	359.90



Market Price Data : High / low quotations on the National Stock Exchange during each month for the Financial year 2022-2023 & performance in comparison to NSE Index :

Month	NSE Nifty		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2022	18114.65	16824.70	--	--
May, 2022	17132.85	15735.75	--	--
June, 2022	16793.85	15183.40	--	--
July, 2022	17172.80	15511.05	--	--
Aug., 2022	17992.20	17154.80	--	--
Sep., 2022	18096.15	16747.70	--	--
Oct., 2022	18022.80	15855.55	--	--
Nov., 2022	18816.05	17959.20	442.75	365.55
Dec., 2022	18887.60	17774.25	474.55	395.00
Jan., 2023	18251.95	17405.55	469.55	412.30
Feb., 2023	18134.75	17255.20	452.85	385.00
March, 2023	17799.95	16828.35	402.95	360.30

Note: The equity shares of the Company were listed on the National Stock Exchange (NSE) in the month of Nov., 2022.

8. LOCATION OF PLANTS

(i) Sukhjit Corn Products

(A unit of The Sukhjit Starch & Chemicals Ltd.)
 Rehana Jattan, Teh. Phagwara (Pb.)
 Phone No. (01824) 518800
 Fax No. : (01824) 261669
 Email : scp@sukhjitgroup.com

(ii) Sukhjit Starch Mills

(A unit of The Sukhjit Starch & Chemicals Ltd.)
 Armour Road, Mubarak Nagar,
 Nizamabad (Telangana)
 Phone No. (08462) 237568, 237521
 Fax No. (08462) 239330
 E-mail : sukhjit.starch@gmail.com

(iii) Sukhjit Starch Industries

(A unit of The Sukhjit Starch & Chemicals Ltd.)
 WBIIIDC Growth Centre,
 N.H. 34, Narayanpur, MALDA (W.B.)
 Phone No. (03512) 263027, 263029
 Fax No. (03512) 263026
 E-mail : sukhjitmalda@gmail.com

(iv) The Sukhjit Agro Industries

(A unit of The Sukhjit Starch & Chemicals Ltd.)
 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

(i) & (ii) The percentage increase in remuneration of each Director and Company Secretary during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under :

Sr. No.	Name of Director / KMP and Designation	Remuneration of each Director / KMP For financial year 2022-23 (₹ In Lacs)	% increase (% decrease) in Remuneration in the Financial Year 2022-23	Ratio of remuneration of each Director / to median remuneration of employees
1.	Smt. Manjoo Sardana (Chairperson)	15.86	--	11.67
2.	Sh. K.K. Sardana (Managing Director)	148.99	(2.83) (*)	109.61
3.	Sh. Tarsem Singh Lally (Independent Director)	5.63	--	4.14
4.	Sh. Ranbir Singh Seehra (Independent Director)	5.63	--	4.14
5.	Sh. Saravjit Singh Hothi (Independent Director)	5.63	--	4.14
6.	Sh. Vikas Uppal (Independent Director)	5.63	--	4.14
7.	Smt. Shalini Umesh Chablani (Non-Executive Women Director)	15.86	--	11.67
8.	Sh. M.G. Sharma (Executive Director (Fin) & CFO)	43.42	(5.66) (*)	31.95
9.	Sh. Aman Setia (V.P. (Fin) & Company Secretary)	37.55	6.84 (*)	N.A.

(*) There was no increase in the salaries of the KMPs except 6.84% increase in the salary of V.P. (Fin) & Company Secretary. The decrease in the remuneration of the Managing Director is due to lower commission related to profits during FY 2022-23.

The company has been paying commission @1% of the net profits to the Non Executive Directors with a cap of ₹ 5 lacs to the Independent Directors, along with Sitting fee @ ₹ 9,000/- per meeting.

(iii) There were 1274 permanent employees on the rolls of Company as on March 31, 2023.

(iv) The percentage increase in the median remuneration of employees had been 8.01% during the financial year 2022-23 against Nil increase in the remuneration of the Managing Director & Executive Director (Fin) & CFO and 6.84% increase in the remuneration of the Company Secretary.

Average percentage increase made in the salaries of employees / workers other than the managerial personnel (KMP) in last financial year i.e. 2021-22 was 6.74, against Nil increase in the remuneration of the Managing Director & Executive Director (Fin) & CFO and 4.95% increase in the remuneration of the Company Secretary during FY 2021-22.

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



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 directors / employees who were 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 2022-23 is given below :

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

S. No	Name of the Employee	Age	Designation	Gross Remuneration	Educational Qualification	Experience	Date of Joining	Name of Previous Employer & Designation	%age of equity shares held	Relationship with Directors
1	Sh. Kuldip Krishan Sardana	75	Managing Director	1,48,99,268	B.A.	52	18/01/1972	---	9.49%	---
2	Sh. Dhiraj Sardana	49	Sr. V.P. & CEO Unit(s)	1,08,34,434	BBA & Diploma in Marketing	26	01/05/2005	Scott Industries Ltd. - Vice President	6.13%	Son of Smt. Manjoo Sardana
3	Sh. Bhavdeep Sardana	48	Sr. V.P. & CEO Unit(s)	1,13,67,243	B.Sc. (Hons.) Chemistry & MBA	26	01/01/2005	Scott Industries Ltd. - Vice President	6.14%	Son of Sh. Kuldip Krishan Sardana
4	Sh. Pankaj Sardana	45	Sr. V.P. Operations Unit(s)	1,09,52,418	BBE (Hons.) & M.Sc. (Hons.)	23	01/08/2012	Scott Industries Ltd. - Vice President	6.10%	Son of Smt. Manjoo Sardana
5	Sh. Puneet Sardana	46	Sr. V.P. Operations Unit(s)	1,12,32,500	BA (Hons.)	23	01/08/2012	Scott Industries Ltd. - Vice President	6.12%	Son of Sh. Kuldip Krishan Sardana

(B) Persons employed for a part of the year and were in receipt of remuneration at a rate not less than ₹ 8.50 lacs per month: NIL

Notes:

1. The Remuneration shown above includes salary, 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 none of the above has received any remuneration in form of salary, commission, allowance and sitting fees from any of the Company's subsidiaries.

Annexure – ‘D’ to the Directors’ Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2022-23

1. Brief outline on CSR Policy of the Company:

The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. The Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, we believe that every such contribution shall bring a big change in our society.

Standing true to our Charter, to bring joy and happiness to people's lives, our CSR vision is based on embedded tenets of trust, fairness and care to maximise efforts in this regard. We aim to enrich and empower marginalised communities by addressing critical social, economic and environmental challenges. We believe in responsible growth and undertake CSR initiatives that make a difference to the communities and the environment in which we operate.

Our Company continues to focus its Corporate Social Responsibility (CSR) initiatives to drive positive and sustainable change in building resilient communities. Our CSR work remains focused on empowering women, facilitating health & literacy and sustaining the environment through our initiatives in education, health and the environment.

All our CSR projects work towards holistic development of the individual and society, as below:

- (i) To facilitate an enabling environment for underprivileged children to access quality education and health care services.
- (ii) To enhance employability of the underprivileged youth through industry-relevant vocational trainings.
- (iii) To engage in socially relevant local projects with an impactful intervention.

To optimize impact of its CSR activities, the Company focus its support and CSR spends on specific pre-determined causes and areas of interventions. The following CSR thrust areas are aimed to resolve specific social and community issues and enable the beneficiaries of these programs to secure a better tomorrow:

- (i) Vocational training focused on employable skills
- (ii) Health, Hygiene and education

- (iii) Neighbourhood projects as per the local needs identified by Sukhjit units.

The CSR Policy provides guiding principles of Selection, Implementation and Monitoring of activities as well as Formulation of the annual action plan. The Company's Corporate Social Responsibility (CSR) Policy, as approved by the Board of Directors, is available on the company's website <https://www.sukhjitgroup.com/csr-policy>.

PROMOTING EDUCATION





BLOOD DONATION / HEALTH CARE CAMPS FOR POOR & NEEDY



DISTRIBUTION OF RATION TO POOR & NEEDY



TREE PLANTATION & PLANTS DISTRIBUTION FOR ENVIRONMENT SUSTAINABILITY



2 Composition of CSR Committee during F.Y. 22-23:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meeting of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
(i)	Sh. K.K. Sardana	Chairman (Managing Director)	4	4
(ii)	Sh. Vikas Uppal	Member (Independent Director)	4	3
(iii)	Sh. Saravjit Singh Hothi	Member (Independent Director)	4	4

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
- | | |
|------------------------------------|---|
| Composition of CSR Committee | https://www.sukhjitgroup.com/csr-committee |
| CSR Policy | https://www.sukhjitgroup.com/csr-policy |
| CSR projects approved by the Board | https://www.sukhjitgroup.com/report-on-csr-expenditure |
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).
- Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sr No.	Financial Year	Amount available for set-off from preceding financial years (in lacs)*	Amount required to be set off for the financial year, if any (in lacs)
1.	2021-22	9.33	9.33
2.	2020-21	2.40	NIL
3.	2019-20	0.42	NIL
	TOTAL	20.28	9.33

*The Company has spent in excess of the mandatory requirement under the Companies Act, 2013 but the same is not proposed to be set off.

6.	Average net profit of the company as per section 135 (5).	Rs. 5355.77 lacs
7.	(a) Two percent of average net profit of the company as per section 135 (5)	Rs. 107.11 lacs
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	--
	(c) Amount required to be set off for the financial year, if any	9.33
	(d) Total CSR obligation for the financial year (7a+7b-7c)	Rs. 97.78 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in lacs) (*)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
Rs. 108.86 lacs	Not Applicable		Not Applicable		

(*) The amount spent on CSR activities for the financial year include Rs. 9.33 lacs as the set-off of excess amount spent by the Company on CSR activities in the previous financial year and Rs. 99.53 lacs as amount spent on CSR activities during FY22-23.



(b) Details of CSR amount spent against ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Scheme VII to the Act.	Local area (YES/No).	Location of the project.		Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration No.
-----NIL-----												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Scheme VII to the Act.	Local area (YES/No)	Location of the project.		Amount spent in the current financial Year (in lacs)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.

Contribution to the Prime Minister's National Relief Fund

1.	Prime Minister's National Relief Fund	clause (viii)	No	New Delhi		7.00	no	Prime Minister's National Relief Fund	---
						7.00			

Education: Promoting education including girls education, special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects

1.	Guru Virjanand Smarak Smiti	clause (ii)	Yes	Punjab	Kapurthala	0.61	no	Guru Virjanand Smarak Smiti	CSR00015746
2.	Maa Ambay Girls School	clause (ii)	Yes	Punjab	Kapurthala	2.00	no	Chanda Singh & Rao Kaur Charitable and Social Welfare Society	CSR00023902
3.	Arya Infotech Society	clause (ii)	Yes	Punjab	Kapurthala	4.00	yes	N.A.	---
4.	Har Ghar Tiranga Campaign	clause (ii)	Yes	Punjab	Kapurthala	2.54	no	Har Ghar Tiranga Campaign	---
5.	S.D. Model Sr. Sec. School	clause (ii)	Yes	Punjab	Kapurthala	36.02	yes	N.A.	---
6.	S.D. K.M.V. Sr. Sec. School	clause (ii)	Yes	Punjab	Kapurthala	7.00	yes	N.A.	---
7.	Vasudhaiva Kutumbakam Welfare Society	clause (ii)	Yes	Narwal	J & K	1.00	no	Vasudhaiva Kutumbakam Welfare Society	CSR00024484
8.	Scholarship for needy students	clause (ii)	Yes	Punjab	Kapurthala	0.15	yes	N.A.	---

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr. No.	Name of the Project	Item from the list of activities in Scheme VII to the Act.	Local area (YES/No)	Location of the project.		Amount spent in the current financial Year (in lacs)	Mode of Implementation – Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
9.	Employment exchanged under “Promoting employment enhancing skills of differently abled & livelihood enhancement Project of CSR”	clause (ii)	Yes	Punjab	Kapurthala	14.41	yes	Employment exchanged under “Promoting employment enhancing skills of differently abled & livelihood enhancement Project of CSR”	---
67.73									

Preventive Health Care & Environmental Sustainability : Eradicating hunger, poverty & malnutrition, promoting preventive health care, sanitation and environmental sustainability etc.

1.	Utkarsh Global Foundation	clause (i)	Yes	Mumbai	Maharashtra	3.10	no	Utkarsh Global Foundation	CSR00001383
2.	Blood Donors Council (Regd.)	clause (i) / (iv)	Yes	Punjab	Kapurthala	11.85	no	Blood Donors Council (Regd.)	CSR00024319
3.	Maternity Ward & Child Care ward of Civil Hospital	clause (i)	Yes	Punjab	Kapurthala	1.35	yes	Maternity Ward & Child Care ward of Civil Hospital)	----
4.	FVG Hindustan Welfare Blood Donors Club (Regd.)	clause (i)	Yes	Punjab	Kapurthala	1.00	no	FVG Hindustan Welfare Blood Donors Club (Regd.)	CSR000025901
5.	Sai Aasra Paraplegic Rehab Centre	clause (i)	Yes	Amritsar	Punjab	7.50	no	Sai Aasra Paraplegic Rehab Centre	CSR00011613
24.80									

(d)	Amount Spent in Administrative Overheads	NIL
(e)	Amount spent on Impact Assessment, if applicable	NIL
(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs. 108.86 lacs (*)

(*) Including the set-off of excess amount spent by the Company on CSR activities in the previous financial year of Rs. 9.33 lacs.

(g) Excess amount for set off, if any

Sr No.	Particular	Amount (in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	107.11
(ii)	Total amount spent for the financial year	108.86
(iii)	Excess amount spent for the financial year [(ii)-(i)]	---
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	---
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	---



9. (a) Details of Unspent CSR amount for the preceding three financial years :

Sr. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed/ ongoing
Not Applicable								

10. In case of Creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through spent in the financial year

(a)	Date of creation or acquisition of the capital asset(s).	Not applicable
(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not applicable
(c)	Details of the entity of public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
(d)	Provide details of the capital assets(s) created or acquired (including complete address and location of the capital asset).	Not applicable
Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).		Not Applicable

Sd/-

K.K. Sardana

Chairman of CSR Committee
(Managing Director)

Sd/-

Vikas Uppal

Member of CSR Committee
(Independent Director)

Sd/-

Saravjit Singh Hothi

Member of CSR Committee
(Independent Director)

Dated: 27.05.2023

Annexure 'E' to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2023

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	THE 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

SL 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

SI No	Name & Address of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	SUKHJIT MEGA FOOD PARK & INFRA LIMITED	U45209PB2015PLC039547	SUBSIDIARY	100.00	SEC 4(1)(b)
2	THE VIJOY STEEL AND GENERAL MILLS CO LTD	U19113PB1945PLC001956	SUBSIDIARY	96.17	SEC 4(1)(b)
3	SCOTT INDUSTRIES LIMITED	U18101PB1997PLC020568	SUBSIDIARY	99.97	SEC 4(1)(b)

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 (01.04.2022)				No. of Shares held at the end of the year (31.03.2023)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(I) Indian										
a) Individual/HUF	92,98,665	-	92,98,665	59.52	93,51,440	-	93,51,440	59.86	52,775	0.34
b) Central Govt.or State Govt.										
c) Bodies Corporates	9,174	-	9,174	0.06	9,174	-	9,174	0.06	-	-
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (I)	93,07,839	-	93,07,839	59.58	93,60,614	-	93,60,614	59.92	52,775	0.34



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2022)				No. of Shares held at the end of the year (31.03.2023)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
(2) Foreign										
a) NRI- Individuals	10,24,390	-	10,24,390	6.56	9,83,140	-	9,83,140	6.29	(41,250)	(0.27)
b) Other Individuals										
c) Bodies Corp.										
d) Banks / FI										
e) Any other										
SUB TOTAL (A) (2)	10,24,390	-	10,24,390	6.56	9,83,140	-	9,83,140	6.29	(41,250)	(0.27)
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	1,03,32,229	-	1,03,32,229	66.14	1,03,43,754	-	1,03,43,754	66.21	11,525	0.07
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks / FI										
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):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions										
a) Bodies corporates										
i) Indian	2,33,288	72	2,33,360	1.49	2,47,842	-	2,47,842	1.59	14,482	0.10
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	21,18,595	4,02,651	25,21,246	16.14	21,37,056	3,45,565	24,82,621	15.89	(38,625)	(0.25)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	18,38,207	26,038	18,64,245	11.93	18,07,768	-	18,07,768	11.57	(56,477)	(0.36)
c) Others (specify)	6,65,720	5,200	6,70,920	4.29	7,34,735	5,280	7,40,015	4.74	69,095	0.45
SUB TOTAL (B)(2):	48,55,810	4,33,961	52,89,771	33.86	49,27,401	3,50,845	52,78,246	33.79	(11,525)	(0.07)
Total Public Shareholding (B)= (B)(1)+(B)(2)	48,55,810	4,33,961	52,89,771	33.86	49,27,401	3,50,845	52,78,246	33.79	(11,525)	(0.07)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	1,51,88,039	4,33,961	1,56,22,000	100	1,52,71,155	3,50,845	1,56,22,000	100	-	-

V SHARE HOLDING OF PROMOTERS

SI No.	Shareholders Name	Shareholding at the beginning of the year(01.04.2022)			Shareholding at the end of the year(31.03.2023)			% 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	MANJOO SARDANA	1696097	10.86	0	1716097	10.99	0	0.13
2	KULDIP KRISHAN SARDANA	1481123	9.48	0	1482953	9.49	0	0.01
3	DHIRAJ SARDANA	957112	6.13	0	957112	6.13	0	0.00
4	PANKAJ SARDANA	953558	6.10	0	953558	6.10	0	0.00
5	BHAVDEEP SARDANA	951541	6.09	0	958541	6.14	0	0.05
6	PUNEET SARDANA	949566	6.08	0	956566	6.12	0	0.04
7	KULDIP KRISHAN SARDANA HUF	349718	2.24	0	355718	2.28	0	0.04

SI No.	Shareholders Name	Shareholding at the beginning of the year(01.04.2022)			Shareholding at the end of the year(31.03.2023)			% 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	
8	SUMAN SARDANA	271588	1.74	0	271588	1.74	0	0.00
9	INDER KRISHAN SARDANA HUF	271476	1.74	0	272766	1.75	0	0.01
10	MEENAXI GADI	241376	1.55	0	241376	1.55	0	0.00
11	NANDINI KAUSHIK	220772	1.41	0	220772	1.41	0	0.00
12	NAVIN SARDANA	108572	0.69	0	108572	0.69	0	0.00
13	SURENDRA NATH GADI	94216	0.60	0	94216	0.60	0	0.00
14	NALINI KALRA	95422	0.61	0	96022	0.61	0	0.00
15	SHALINI UMESH CHABLANI	94814	0.61	0	96814	0.62	0	0.01
16	ASHOK SARDANA	87300	0.56	0	87300	0.56	0	0.00
17	PRABHA GROVER	85664	0.55	0	85664	0.55	0	0.00
18	VERINDER KUMAR SARDANA	69184	0.44	0	69184	0.44	0	0.00
19	NANDINI OBEROI	51012	0.33	0	53812	0.34	0	0.01
20	PADMINI MONGIA	45952	0.29	0	45952	0.29	0	0.00
21	SONIA MONGIA ADHIKARI	44832	0.29	0	44832	0.29	0	0.00
22	RADHIKA MONGIA	44200	0.28	0	44200	0.28	0	0.00
23	KABIR SARDANA	25000	0.16	0	25000	0.16	0	0.00
24	NIKHIL SARDANA	25000	0.16	0	25000	0.16	0	0.00
25	DIPTI SARDANA	15582	0.10	0	15582	0.10	0	0.00
26	SONA SARDANA	12938	0.08	0	12938	0.08	0	0.00
27	UMESH HIRANAND CHABLANI	11472	0.07	0	15072	0.10	0	0.03
28	DIPIKA SARDANA	11000	0.07	0	11000	0.07	0	0.00
29	UDAY PRATAP SARDANA	9080	0.06	0	9080	0.06	0	0.00
30	NIDHI SARDANA	8197	0.05	0	8852	0.06	0	0.00
31	DIVYA SARDANA	7981	0.05	0	7981	0.05	0	0.00
32	VEER PRATAP SARDANA	6720	0.04	0	6720	0.04	0	0.00
33	ROHIT GROVER	600	0.00	0	600	0.00	0	0.00
		9298665	59.52	0	9351440	59.86	0	0.34
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	9174	0.06	0	9174	0.06	0	0.00
		9174	0.06	0	9174	0.06	0	0.00
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	185292	1.19	0	144042	0.92	0	(0.27)
2	ROHINI SARDANA	131096	0.84	0	131096	0.84	0	0.00
3	ROSHINA MALIK	323681	2.07	0	323681	2.07	0	0.00
4	ROHAN MALIK	298681	1.91	0	298681	1.91	0	0.00
5	RATI LOHTIA	43136	0.28	0	43136	0.28	0	0.00
6	RITU LOHTIA	42504	0.27	0	42504	0.27	0	0.00
		1024390	6.56	0	983140	6.29	0	(0.27)
	Total	10332229	66.14	0	10343754	66.21	0	0.07

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

SI No.	Promoters	Shareholding at the beginning of the year(01.04.2022)/End of the year(31.03.2023)		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	MANJOO SARDANA	1696097	10.86	01-04-2022				
				23-12-2022	20000	Transfer	1716097	10.99
		1716097	10.99	31-03-2023			1716097	10.99



Sl. No.	Promoters	Shareholding at the beginning of the year(01.04.2022)/End of the year(31.03.2023)		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
2	KULDIP KRISHAN SARDANA	1481123	9.48	01-04-2022				
				07-10-2022	1315	Transfer	1482438	9.49
				17-03-2023	515	Transfer	1482953	9.49
		1482953	9.49	31-03-2023			1482953	9.49
3	BHAVDEEP SARDANA	951541	6.09	01-04-2022				
				23-12-2022	7000	Transfer	958541	6.14
		958541	6.14	31-03-2023			958541	6.14
4	PUNEET SARDANA	949566	6.08	01-04-2022				
				23-12-2022	7000	Transfer	956566	6.12
		956566	6.12	31-03-2023			956566	6.12
5	KULDIP KRISHAN SARDANA HUF	349718	2.24	01-04-2022				
				23-12-2022	6000	Transfer	355718	2.28
		355718	2.28	31-03-2023			355718	2.28
6	INDER KRISHAN SARDANA HUF	271476	1.74	01-04-2022				
				17-02-2023	1290	Transfer	272766	1.75
		272766	1.75	31-03-2023			272766	1.75
7	NARESH SARDANA	185292	1.19	01-04-2022				
				30-09-2022	-1250	Transfer	184042	1.18
				23-12-2022	-40000	Transfer	144042	0.92
		144042	0.92	31-03-2023			144042	0.92
8	NALNI KALRA	95422	0.61	01-04-2022				
				17-03-2023	600	Transfer	96022	0.61
		96022	0.61	31-03-2023			96022	0.61
9	SHALINI UMESH CHABLANI	94814	0.61	01-04-2022				
				10-03-2023	2000	Transfer	96814	0.62
		96814	0.62	31-03-2023			96814	0.62
10	NIDHI SARDANA	8197	0.05	01-04-2022				
				24-02-2023	145	Transfer	8342	0.05
				10-03-2023	500	Transfer	8842	0.06
				17-03-2023	10	Transfer	8852	0.06
		8852	0.06	31-03-2023			8852	0.06
11	NANDINI OBEROI	51012	0.33	01-04-2022				
				02-09-2022	2800	Transfer	53812	0.34
		53812	0.34	31-03-2023			53812	0.34
12	UMESH HIRA CHABLANI	11472	0.07	01-04-2022				
				25-11-2022	3100	Transfer	14572	0.09
				31-03-2023	500	Transfer	15072	0.10
		15072	0.10	31-03-2023			15072	0.10

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

VII SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	Name	Shareholding at the beginning of the year(01.04.2022)/End of the year(31.03.2023)		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	240040	1.54	01-04-2022				
						No Change		
		240040	1.54	31-03-2023			240040	1.54
2	ANURADHA AGARWAL	90017	0.58	01-04-2022				
				01-04-2022	-14000	Transfer	76017	0.49
				30-09-2022	14000	Transfer	90017	0.58
				07-10-2022	-14000	Transfer	76017	0.49
				11-11-2022	14000	Transfer	90017	0.58
		90017	0.58	31-03-2023			90017	0.58
3	RAJESH HIRALAL KOTADIA	45994	0.29					
				08-Apr-2022	477	Transfer	46471	0.30
				15-Apr-2022	3447	Transfer	49918	0.32
				22-Apr-2022	-770	Transfer	49148	0.31
				29-Apr-2022	1672	Transfer	50820	0.33
				06-May-2022	5265	Transfer	56085	0.36
				13-May-2022	7627	Transfer	63712	0.41
				20-May-2022	2734	Transfer	66446	0.43
				26-May-2022	1697	Transfer	68143	0.44
				27-May-2022	173	Transfer	68316	0.44
				03-Jun-2022	8255	Transfer	76571	0.49
				10-Jun-2022	170	Transfer	76741	0.49
				17-Jun-2022	92	Transfer	76833	0.49
				24-Jun-2022	8372	Transfer	85205	0.55
				01-Jul-2022	-10	Transfer	85195	0.55
				08-Jul-2022	-695	Transfer	84500	0.54
				22-Jul-2022	-10105	Transfer	74395	0.48
				15-Jul-2022	10105	Transfer	84500	0.54
				29-Jul-2022	-17871	Transfer	66629	0.43
				05-Aug-2022	64	Transfer	66693	0.43
				12-Aug-2022	2563	Transfer	69256	0.44
				19-Aug-2022	-5487	Transfer	63769	0.41
				26-Aug-2022	-733	Transfer	63036	0.40
				02-Sep-2022	-1042	Transfer	61994	0.40
				09-Sep-2022	-1348	Transfer	60646	0.39
				23-Sep-2022	3904	Transfer	64550	0.41
				11-Nov-2022	2333	Transfer	66883	0.43
				21-Nov-2022	7699	Transfer	74582	0.48
				25-Nov-2022	8569	Transfer	83151	0.53
				02-Dec-2022	1310	Transfer	84461	0.54
				09-Dec-2022	-315	Transfer	84146	0.54
				15-Dec-2022	-3908	Transfer	80238	0.51
				23-Dec-2022	1550	Transfer	81788	0.52
				30-Dec-2022	-180	Transfer	81608	0.52
				13-Jan-2023	-30	Transfer	81578	0.52
				03-Feb-2023	646	Transfer	82224	0.53
				10-Feb-2023	1269	Transfer	83493	0.53
				17-Feb-2023	125	Transfer	83618	0.54
				17-Mar-2023	610	Transfer	84228	0.54
		84228	0.54	31-03-2023			84228	0.54



Sl. No.	Name	Shareholding at the beginning of the year(01.04.2022)/End of the year(31.03.2023)		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	MANOJ KUMAR AGARWAL	84868	0.54	01-04-2022				
				29-04-2022	450	Transfer	85318	0.55
				06-05-2022	400	Transfer	85718	0.55
				15-07-2022	-40	Transfer	85678	0.55
				22-07-2022	-960	Transfer	84718	0.54
				29-07-2022	-22	Transfer	84696	0.54
				09-09-2022	-500	Transfer	84196	0.54
				02-12-2022	-500	Transfer	83696	0.54
				09-12-2022	-500	Transfer	83196	0.53
				13-01-2023	-500	Transfer	82696	0.53
				03-02-2023	-500	Transfer	82196	0.53
				24-03-2023	-500	Transfer	81696	0.52
		81696	0.52	31-03-2023			81696	0.52
5	SATISH CHANDRA JINDAL	70440	0.45	01-04-2022				
						No Change		
		70440	0.45	31-03-2023			70440	0.45
6	SANGEETHA S	61000	0.39	01-04-2022				
						No Change		
		61000	0.39	31-03-2023			61000	0.39
7	AJAY CHANDRA AGARWAL	57500	0.37	01-04-2022				
				15-04-2022	-500	Transfer	57000	0.36
				06-05-2022	1000	Transfer	58000	0.37
				13-05-2022	1000	Transfer	59000	0.38
				17-02-2023	807	Transfer	59807	0.38
				10-03-2023	200	Transfer	60007	0.38
		60007	0.38	31-03-2023			60007	0.38
8	ANITA AGARWAL	60000	0.38					
						No change		
		60000	0.38	31-03-2023			60000	0.38
9	KAPIL CHOPRA	79227	0.51	01-04-2022				
				13-05-2022	38	Transfer	79265	0.51
				20-05-2022	172	Transfer	79437	0.51
				26-05-2022	2	Transfer	79439	0.51
				27-05-2022	1	Transfer	79440	0.51
				03-06-2022	-5424	Transfer	74016	0.47
				24-06-2022	210	Transfer	74226	0.48
				30-06-2022	2	Transfer	74228	0.48
				08-07-2022	1479	Transfer	75707	0.48
				22-07-2022	-2042	Transfer	73665	0.47
				12-08-2022	-3965	Transfer	69700	0.45
				19-08-2022	-2720	Transfer	66980	0.43
				30-09-2022	-1290	Transfer	65690	0.42
				07-10-2022	-279	Transfer	65411	0.42
				28-10-2022	-690	Transfer	64721	0.41
				04-11-2022	-7051	Transfer	57670	0.37
		57670	0.37	31-03-2023			57670	0.37
10	SATPAL MANAKTALA	53612	0.34					
						No change		
		53612	0.34	31-03-2023			53612	0.34

VIII SHAREHOLDING OF DIRECTORS & KMP

Sl. No.	For Each of the Directors & KMP	Shareholding at the beginning of the year(01.04.2022)/End of the year(31.03.2023)		Date	Increase/ Decrease	Reason	Cumulative Shareholding during the year	
		No.of shares	% of total shares of the company				No of shares	% of total shares of the company
1	MANJOO SARDANA (Non-Executive Chairperson)	1696097	10.86	01-04-2022				
				23-12-2022	20000	Transfer	1716097	10.99
		1716097	10.99	31-03-2023			1716097	10.99
2	KULDIP KRISHAN SARDANA (Managing Director)	1481123	9.48	01-04-2022				
				07-10-2022	1315	Transfer	1482438	9.49
				17-03-2023	515	Transfer	1482953	9.49
		1482953	9.49	31-03-2023			1482953	9.49
3	TARSEM SINGH LALLY (Independent Director)	-	-	01-04-2022		No Change		
		-	-	31-03-2023			-	-
4	RANBIR SINGH SEEHRA (Independent Director)	3000	0.02	01-04-2022		No Change		
		3000	0.02	31-03-2023			3000	0.02
5	SARAVJIT SINGH HOTHY (Independent Director)	-	-	01-04-2022		No Change		
		-	-	31-03-2023			-	-
6	VIKAS UPPAL (Independent Director)	2500	0.02	01-04-2022		No Change		
		2500	0.02	31-03-2023			2500	0.02
7	SHALINI UMESH CHABLANI (Non- Executive Director)	94814	0.61	01-04-2022				
				10-03-2023	2000	Transfer	96814	0.62
		96814	0.62	31-03-2023			96814	0.62
8	M G SHARMA (Executive Director Fin.) & CFO	5320	0.03	01-04-2022		No Change		
		5320	0.03	31-03-2023			5320	0.03
9	AMAN SETIA (Vice President Finance & Company Secretary)	-	-	01-04-2022		No Change		
		-	-	31-03-2023			-	-

IX INDEBTEDNESS

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

(₹ in lacs)

	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year			
i) Principal Amount	17,866.74	6,584.40	24,451.14
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	368.40	368.40
Total (i+ii+iii)	17,866.74	6,952.80	24,819.54
Change in Indebtedness during the financial year			
Additions	4,636.00	562.38	5,198.38
Reduction	-	-	-
Net Change	4,636.00	562.38	5,198.38
Indebtedness at the end of the financial year			
i) Principal Amount	22,502.74	7,059.20	29,561.94
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	455.98	455.98
Total (i+ii+iii)	22,502.74	7,515.18	30,017.92



X REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ in lacs)

Sl. No	Particulars of Remuneration	Sh. K.K. Sardana	Sh M.G. Sharma	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	83.40	39.89	123.29
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	13.19	2.04	15.23
2	Commission	45.70	-	45.70
3	Others (Retirement Benefits)	6.70	1.49	8.19
	Total (A)	148.99	43.42	192.41
	Ceiling as per the Act			927.60

B. Remuneration to other directors:

(₹ in lacs)

Sl. No	Particulars of Remuneration					Total Amount
1	Independent Directors	Sh. Tarsem Singh Lally	Sh. Ranbir Singh Seehra	Sh. Vikas Uppal	Sh. Saravjit Singh Hothi	
	(a) Fee for attending board/committee meetings	0.63	0.63	0.63	0.63	2.52
	(b) Commission	5.00	5.00	5.00	5.00	20.00
	Total (1)	5.63	5.63	5.63	5.63	22.52
2	Other Non Executive Directors			Smt.Manjoo Sardana	Smt. Shalini Umesh Chablani	
	(a) Fee for attending board/committee meetings			0.63	0.63	1.26
	(b) Commission			15.23	15.23	30.46
	Total (2)			15.86	15.86	31.72
	Total (B)=(1+2)					54.24
	Total Managerial Remuneration excl. Sitting fees					50.46
	Overall Cieling as per the Act.					92.72

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD

(₹ in lacs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	Company Secretary
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	31.14
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-
2	Others (Retirement Benefits)	3.41
	Total	34.55

XII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

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



Annexure '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 / water resources :

- The Company has taken extensive measures to conserve & save energy by installing Power Efficient Machines, balancing & aligning capacity of key equipments with centralised automatic monitoring systems to monitor & control the consumption of steam & energy.
- Effective usage of flash steam at various stages has resulted in visible savings in the steam consumption.
- Reduction in water consumption has been achieved by adopting suitable process measures to reduce consumption of water per MT of Grind.
- All out efforts are being made to recycle, reuse the treated water achieving substantial reduction in withdrawal of ground water to protect and save the precious water resources.
- The treated process water is also being used / supplied for irrigation purpose to save and conserve ground water.
- Rain water harvesting is also done at all locations.

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

- The Company has been producing bio gas from process effluents and the same is being used for drying its products in total replacement of furnace oil and partly for generating steam to reduce use of fossil fuel and achieve reduction in carbon foot prints.
- The Company has been generating Hydrogen from the bio gas generated from process effluents/ biomass.

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.

The Company is regularly organising training programs for its technical staff to help their continuous rescaling & keep them abreast with latest technological developments in our industry.

Research & Development

Research & Development program 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 ₹ 62.15 lacs during the year under reference (₹ 46.58 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their applications.

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 1259.09 lacs (₹ 1231.12 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ Nil (₹ 2.78 lacs during previous year), Spare parts, components and consumables of ₹ 52.54 lacs (₹ 46.75 lacs during previous year) on a C.I.F. basis.

Annexure 'G' to the Directors' Report

FORM AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under fourth proviso thereto :

(a) Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2023, which were not at arm's length basis.

(b) Details of material contracts or arrangement or transactions at arm's length basis

There were no material contracts or arrangements, or transactions entered into during the year ended 31st March, 2023.

All related party transactions were in the ordinary course of business and on arm's length basis and were approved by Audit Committee and the Board of Directors of the Company. The requisite details are set out in the notes to accounts forming part of this Annual Report.



Annexure 'H' to the Directors' Report

Secretarial Audit Report

To
The Members
The Sukhjit Starch & Chemicals Limited
Sarai Road, Phagwara
Distt. Kapurthala - 144001, Punjab

Sir,

We have conducted the Secretarial Audit for the Financial Year 2022-2023 for the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s The Sukhjit Starch and Chemicals Limited (hereinafter referred to as the 'Company'). Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a reasonable basis for our opinion.
4. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. 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/-
CS Dinesh Gupta
(Partner)

M.No. 3462, COP No. 1947
UDIN :F003462E000396791

Place : Jalandhar
Dated : 27th May, 2023

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
The Sukhjit Starch & Chemicals Limited
Sarai Road, Phagwara
Distt. Kapurthala - 144001, Punjab

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s 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 Company'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, 2023 ("Audit Period") 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, 2023 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
 - (g) 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; (To the extent applicable to the Company);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

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 Uniform Listing Agreement for equity shares entered into by the Company with BSE Limited and NSE Limited.

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



(vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the Food Safety and Standards Act, 2006, as applicable specifically to the Company:

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 / appointment or reappointment 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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/-

CS Dinesh Gupta

(Partner)

Place : Jalandhar

Dated : 27th May, 2023

M.No. 3462, COP No. 1947

UDIN :F003462E000396791

Secretarial Audit Report of Material Subsidiary

To,
The Members,
Sukhjit Mega Food Park & Infra Limited
Sarai Road, Phagwara - 144401,
Kapurthala, Punjab, India

Sir,

We have conducted the Secretarial Audit for the Financial Year 2022-2023 for the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sukhjit Mega Food Park & Infra Limited (CIN: U45209PB2015PLC039547)**, an unlisted Public Company (hereinafter referred to as the 'Company'). Our report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a reasonable basis for our opinion.
4. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. 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)

Place : Jalandhar
Dated : 26th May, 2023

M.No. 3462, COP No. : 1947
UDIN : F003462E000391124



FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Sukhjit Mega Food Park & Infra Limited
Sarai Road, Phagwara
Distt. Kapurthala - 144001, Punjab

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sukhjit Mega Food Park & Infra Limited (CIN: U45209PB2015PLC039547)** (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 Company'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, 2023 ('Audit Period') 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, 2023 according to the provisions of:

- | | |
|--|---|
| <ul style="list-style-type: none"> (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; (Not Applicable to the Company); (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; (Not Applicable to the Company during the Audit Period); (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') : | <ul style="list-style-type: none"> (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (To the extent applicable to the Company during the Audit Period); (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period); (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (To the extent applicable to the Company during the Audit Period)*; (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company during the Audit Period); (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period); (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period); (g) 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; (To the extent applicable to the Company during the Audit Period); (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period); (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period); |
|--|---|

* The Company being a 'material subsidiary' of The Sukhjit Starch and Chemicals Limited as defined in Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certain employees of the Company have been categorised as Designated Persons pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

The Company has not entered into any listing agreements with the stock exchanges.

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

(vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the Food Safety and Standards Act, 2006, as applicable specifically to the Company:

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 / appointment or re-appointment 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.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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)

Place : Jalandhar
Dated : 26th May, 2023

M.No. 3462, COP No. : 1947
UDIN : F003462E000391124



Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

The Sukhjit Starch and Chemicals Limited

Sarai Road, Phagwara
Distt. Kapurthala - 144001,
Punjab Dear Sir/Madam,

Based on the information provided to us, we have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **THE SUKHJIT STARCH AND CHEMICALS LIMITED** having **CIN: L15321PB1944PLC001925** and having registered office at Sarai Road, Phagwara, Distt. Kapurthala, Punjab (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, it is hereby certified that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. NO.	DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT
1	Smt. MANJOO SARDANA	NON-EXECUTIVE CHAIRPERSON	08533106	08/08/2019
2	Sh. KULDIP KRISHAN SARDANA	MANAGING DIRECTOR	00398376	01/09/1990
3	Sh. MADAN GOPAL SHARMA	EXECUTIVE DIRECTOR (FIN) & CFO	00398326	01/08/2016
4	Sh. TARSEM SINGH LALLY	INDEPENDENT DIRECTOR	00381009	13/08/2020
5	S. RANBIR SINGH SEEHRA	INDEPENDENT DIRECTOR	01572708	01/04/2019
6	Sh. SARAVJIT SINGH HOTHI	INDEPENDENT DIRECTOR	09182046	31/05/2021
7	Sh. VIKAS UPPAL	INDEPENDENT DIRECTOR	00796828	21/01/2020
8	Smt. SHALINI UMESH CHABLANI	NON - EXECUTIVE DIRECTOR	00885883	21/01/2020

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of our verification. This certificate is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

For **Dinesh Gupta & Co**
(Company Secretaries)

Sd/-

Dinesh Gupta
(Partner)

Date : 27th May, 2023
Place : Jalandhar

M. No. F3462; COP No. 1947
UDIN: F003462E000396866

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, 2023.

FOR **THE SUKHJIT STARCH & CHEMICALS LTD.**

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

Place : Phagwara
Dated : 27th May, 2023

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, 2023 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 Regulations.

We state that in respect of investor grievances received during the year ended 31st March, 2023, 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 **Y K SUD & CO.**
(Chartered Accountants)
Sd/-
(Y K SUD)
Proprietor
Mem. No. 16875

Place : Phagwara
Dated : 27th May, 2023



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, 2023 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.

Place : Phagwara.
Dated : 27th May, 2023

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

Sd/-
(M.G. Sharma)
Chief Financial Officer

Independent Auditors' Report

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE STANDALONE FINANCIAL STATEMENTS :

OPINION

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2023, 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. (herein after referred to as "the standalone Ind AS financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the 'Act'), in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Ind AS financial statements in accordance with the Standards on

Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that in our professional judgment, were significant in our audit of the standalone financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described under the 'Auditor's responsibilities section' of our report, for the audit of the standalone financial statements, including in relation to these matters. Our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement (if any) in the standalone financial statements.

Key Audit Matters	Auditor's Response
Revenue recognition Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.	Our audit procedures included the following: <ul style="list-style-type: none"> Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and found that the revenue has been recognized in accordance with the revenue recognition policy and the accounting standard. Evaluated the design, implementation and operating effectiveness of Company's internal controls in respect of revenue recognition.



Key Audit Matters	Auditor's Response
	<ul style="list-style-type: none"> • Tested 'on a sample basis' the supporting documents for the sale transactions recorded during the year which included copy of orders, customer' contracts, sales invoices and Recoveries as per sale orders / contracts etc. • Substantive test check of sales transactions recorded during the period closer to the year end and subsequent to the year end.
Capitalization of property, plant and equipment	
<p>The Company has made significant capital expenditure on Plant & Machinery, modernization and replacement of plant and equipment. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year and booking of revenue & expenditure, thereby affecting the overall profits of the Company.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Making study of and testing the design, implementation and operating effectiveness of management's key internal control over capital expenditure; • Comparing, on sample basis, the costs incurred on capital goods with supporting documentation and contracts. Further assessing that the expenditure incurred is of capital nature and has been properly segregated into the appropriate categories of PPEs. • Inspecting supporting documents for the date of capitalization when capital assets were ready for intended use to assess that depreciation commenced and further capitalization of costs ceased from that date and to assess the useful life assigned by management including testing the calculation of related depreciation. • Verifying that the capital WIP included only those items which were under commissioning and required more time & expenditure for their completion & get ready for use after the end of the relevant financial year. Further verifying that no depreciation has been charged on the capital WIP.
Inventory & its Valuation	
<p>We identified the inventories as a key audit matter as it involves significant management judgments in determining the level of inventory to be carried and its valuation.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Assessment of the management's inventory control procedures, system of accounting for receipt / issue of material, maintenance of appropriate records for balance of stock on a daily basis and basis of valuation of stock. • Verification that the Company maintains appropriate levels of raw material inventory at its various plant locations, to ensure continues running of its operations. • Assessing the appropriateness of Company's accounting policy for valuation of stock and compliance of the policy with the requirements of the prevailing accounting standards. • We have been able to conclude that the stocks of raw material are being maintained by the company at reasonable levels having regard to the nature of business of the Company and seasonality involved in the procurement / availability of the raw material.

OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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. 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY :

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2020 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclose 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 :

- (i) 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;
- (ii) 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.
- (iii) 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.
- (iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (v) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
- (vi) 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".
- (vii) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (viii) 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:
 - (a) 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.
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (i) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- (e) The interim dividend declared and paid by the Company during the year has been in accordance with section 123 of the Act, as applicable.

FOR **Y K SUD & CO**
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 000047N

Sd/-
(Y K SUD)
 Proprietor

Memb. No. 16875
 Peer Review Certificate No. 014348
 UDIN. 23016875BCWNWX1936

Place : Jalandhar
 Dated : 27th May, 2023



Annexure A to the Auditors' 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 2023, we report that :

1. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 to 5 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at 31st March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. (a) The inventories have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
- (b) According to the information and explanations given to us, the Company has been sanctioned / renewed working capital limits in excess of 5 crores, in aggregate, at points of time during the year, from bank(s) on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with the bank(s) are in agreement with the audited books of account of the Company of the respective quarters.
3. (a) The Company has not made any third party investment or provided any third party guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. However it has advanced unsecured amount of ₹ 5.08 crores to its subsidiaries companies during the year under reference. The total outstanding amount as on the year end was ₹ 57.01 crores. It mainly include ₹ 53.97 Crores receivable from Sukhjit Mega Food Park & Infra Ltd., which is providing some key infrastructure facilities & utilities to the manufacturing unit of the Company at Rehana Jattan, Phagwara. The said amount has been advanced without specifying any terms or period of repayment. Hence sub-clauses (c), (d), (e) (under clause (iii) of the Order) are not applicable.

(b) The said advances are, prima facie, not prejudicial to the Company's interest.
4. According to the information and explanations given to us, there is no loan to any director including entities in which the directors are interested. So, the provisions of section 185 and 186 of the Act, in respect of the said loans and advances given, investments made, guarantees & securities given are not applicable to the Company.
5. 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.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

7. (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2023, 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 ₹ 35.01 Crores. The amount mainly includes:

- ₹ 28.93 Crores is the 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 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. The product has been repeatedly got tested by the Department from the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not fore see any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
- ₹ 2.19 Crores include demand issued by Assistant Commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of the company's product (Cattle Feed) to be taxable under GST Act. The matter for ₹ 0.97 crores is pending for adjudication with the Assistant Commissioner CGST Nizamabad and for ₹ 1.22 crores is under appeal with Commissioner (Appeals) at Chandigarh. However, it has been proved to the satisfaction of the Deptt. that the product has been sold and used as cattle feed being fully exempt under the relevant chapter of the GST. So, there does not appear any liability to crystalize on this front.

- ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. The company's petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly.

- ₹ 1.08 crores include ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing our claim for an item against the law settled by the Hon'ble Supreme Court. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals). The balance of ₹ 0.58 crores relates to the demand raised by the Assessing officer by wrongly disallowing the expense duly allowable u/s 43B of the Income Tax Act, 1961, without appreciating the factual position. The company has filed a rectification application, which is pending with the Income Tax department.

8. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
9. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Term Loans have been applied for the purpose for which they were obtained and there has been no diversion of any kind.
- (d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.



10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us, the company has not made preferential allotment/ private placement of shares or (fully or partly or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the order is not applicable to the company.
11. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) There was no whistle blower complaint received by the Company during the year.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2023.
15. In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
21. There has been no qualification or adverse remark by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

FOR **Y K SUD & CO**
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 000047N

Sd/-
(Y K SUD)
 Proprietor

Memb. No. 16875

Peer Review Certificate No. 014348

UDIN. 23016875BCWNWX1936

Place : Jalandhar

Dated : 27th May, 2023

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, 2023 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.

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 in reasonable details, accurately that 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, 2023, 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 **Y K SUD & CO**
CHARTERED ACCOUNTANTS
Firm Reg. No. 000047N

Sd/-

(Y K SUD)

Proprietor

Memb. No. 16875

Peer Review Certificate No. 014348

UDIN. 23016875BGWNWX1936

Place : Jalandhar

Dated : 27th May, 2023

Standalone Balance Sheet

AS ON MARCH 31, 2023

	NOTE	AS ON 31.03.2023 (₹ lacs)	AS ON 31.03.2022 (₹ lacs)
ASSETS			
NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	40,818.50	35,706.19
(b) Right to use Assets	3	408.54	325.49
(c) Capital Work-in-progress	4	1,638.60	6,387.66
(d) Investment Property	5	2,126.79	2,036.04
(e) Other Intangible Assets	3	2.80	3.30
(f) Financial Assets - Investments	6	3,852.66	3,852.66
(g) Other Non Current Asset	7	2,405.01	2,420.05
		51,252.90	50,731.39
CURRENT ASSETS			
(a) Inventories	8	16,766.73	9,605.19
(b) Financial Assets			
(i) Investments	9	7,751.62	6,590.56
(ii) Trade Receivables	10	8,048.54	6,697.34
(iii) Cash & Cash Equivalents	11	127.07	113.76
(iv) Bank Balance other than (iii)	12	1,101.22	1,069.36
(v) Other Financial Assets	13	3,831.93	3,248.01
(c) Income Tax Assets(net)	14	115.31	-
(d) Other Current Assets	15	1,487.28	213.56
		39,229.70	27,537.78
Total Assets		90,482.60	78,269.17
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	16	1,562.20	1,562.20
(b) Other Equity	17	46,888.44	40,916.55
		48,450.64	42,478.75
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities - Borrowings	18	10,061.60	11,596.38
(b) Lease Liability	19	516.14	395.47
(c) Deferred Tax Liabilities(net)	20	3,029.68	2,529.29
(d) Deferred Income-Govt. Grant(s)	21	70.00	74.00
(e) Other Non Current Liabilities	22	1,623.98	1,704.07
		15,301.40	16,299.21
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	19,500.35	12,854.76
(ii) Trade Payables			
- Micro, Small & Medium Enterprises	24	362.76	374.51
- Others	24	4,935.74	4,303.27
(b) Income Tax Liability (net)	25	-	213.99
(c) Other Current Liabilities	26	1,931.71	1,744.68
		26,730.56	19,491.21
Total Liabilities		90,482.60	78,269.17

M.G. Sharma

Executive Director (Finance) & CFO

Aman SetiaVice President (Finance)
& Company Secretary**K.K. Sardana**

Managing Director

As per our separate report of even date

(Y K SUD)

Proprietor

Memb. No. 16875

Firm Reg. No. 000047N

Peer Review Certificate No. 014348

Date: 27/05/2023

Place: Phagwara

Directors

Manjoo Sardana**Tarsem Singh Lally****Ranbir Singh Seehra****Saravjit Singh Hothi****Vikas Uppal**



Standalone Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	NOTE	FOR THE	FOR THE
		YEAR ENDED 31.03.2023	YEAR ENDED 31.03.2022
		(₹ Lacs)	(₹ Lacs)
I Revenue From Operations	27	1,43,524.70	1,15,718.69
II Other Income	28	172.33	121.36
III Total Revenue		1,43,697.03	1,15,840.05
IV Expenses			
Cost of Materials Consumed	29	1,00,981.83	73,750.04
Change in Inventories of Finished Goods, Stock-in-Trade and Work-in- Process	30	(2,445.04)	1,270.90
Employee Benefit Expenses	31	5,768.55	5,241.23
Financial Costs	32	2,532.64	2,087.79
Depreciation and Amortisation Exp.	3	2,662.99	2,474.36
Other Expenses	33	24,922.43	20,274.57
Total Expenses		1,34,423.40	1,05,098.89
V Profit Before Tax(III-IV)		9,273.63	10,741.16
VI Tax Expense :			
- Current Tax		1,830.00	2,500.00
- Deferred Tax		430.00	260.00
- Taxes Relating to Previous Yrs		-	252.47
		2,260.00	3,012.47
VII Profit for the period (V-VI)		7,013.63	7,728.69
VIII Other Comprehensive Income			
A) Itmes that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		21.97	15.24
(b) Income Tax relating to items that will not be reclassified to Profit & Loss		(5.53)	(3.83)
B) Itmes that will be reclassified to Profit or Loss			
(a) Net change in fair value of investments other than equity		296.75	95.61
(b) Income Tax relating to items that will be reclassified to Profit & Loss		(74.69)	(24.06)
IX Total Comprehensive Income for the period (Comprising Profit and other Comprehensive Income for the period)		7,252.13	7,811.65
X Earning per equity share :			
(1) Basic		44.90	49.47
(2) Diluted		44.90	49.47

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Standalone Statement of Change in Equity

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Reserve and Surplus					Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2023						
Balance at the beginning of the reporting period i.e. 1st April, 2022	417.67	2,500.84	36,246.35	1,687.52	64.17	40,916.55
Profit for the year				7,013.63		7,013.63
Other Comprehensive Income					238.50	238.50
Dividends				(1,249.76)		(1,249.76)
Transfer to General Reserve			5,000.00	5,000.00		-
OCI reclassified to P&L					(30.48)	(30.48)
Balance at the end of the reporting period i.e. 31st March, 2023	417.67	2,500.84	41,246.35	2,451.39	272.19	46,888.44
AS ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e. 1st April, 2021	417.67	-	29,246.35	2,877.58	25.81	32,567.41
Profit for the year				7,728.69		7,728.69
Other Comprehensive Income					82.95	82.95
Security Premium		2,500.84				2,500.84
Dividends				(1,918.75)		(1,918.75)
Transfer to General Reserve			7,000.00	(7,000.00)		-
OCI reclassified to P&L					(44.59)	(44.59)
Balance at the end of the reporting period i.e. 31st March, 2022	417.67	2,500.84	36,246.35	1,687.52	64.17	40,916.55

Notes :

- Capital Reserve : Capital Reserve has been created out of subsidy received as capital receipt and will be capitalised accordingly.
- General Reserve : The general reserve is a free reserve which is created / used from time to time to transfer profits from / to retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.
- Retained Earnings : This reserve represents unappropriated accumulated earnings of the company as on the balance sheet date.
- Security Premium Reserve : The Security Premium Reserve has been created on receipt of the premium on issue of equity shares of face value of ₹10 each @ ₹ 300/- per share during FY 2021-22 (i.e. at a premium of ₹ 290/- per share). The share premium reserve will be utilized in future in accordance with the provisions of The Companies Act, 2013.

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Aman Setia

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Tarsem Singh Lally
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Saravjit Singh Hothi
Vikas Uppal



Standalone Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Flows from operating activities	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Net Profit before tax	9,273.62	10,741.18
Adjustments for non-cash items		
Depreciation	2,662.99	2,474.37
Interest on Lease Liability	50.24	38.55
Provision	(8.90)	10.69
Adjustments for non operating activities		
Interest received	(65.07)	(58.86)
Apportionment of Deferred Income	(4.00)	(4.00)
Interest paid	2,438.68	2,001.80
(Profit) Loss on sale of investments/assets	(97.93)	(54.43)
Flows from operations before working capital changes	14,249.63	15,110.74
Changes in working capital		
Trade and other receivables	(3,199.91)	(344.97)
Inventories	(7,161.54)	479.96
Trade payables	620.71	566.63
Other Liabilities	194.59	578.31
Flows from operating activities	4,703.48	16,390.67
Net Direct Taxes Paid	(1,888.21)	(2,276.52)
Net Flows from operating activities	2,815.27	14,114.15
Flows from investing activities		
Purchase of fixed assets	(3,477.35)	(2,678.80)
Sale of investments/assets	562.15	174.99
Other Investments	(1,236.77)	(7,873.43)
Interest received	65.07	58.86
Net Flows from investing activities	(4,086.90)	(10,318.38)
Flows from financing activities		
Loans raised for working capital	6,645.58	2,246.56
Term Loans raised	-	1,000.00
Repayment of Term Loans	(2,009.59)	(4,509.59)
Other Loans raised/ (Repaid)	394.70	(1,198.34)
Equity share Capital and Security Premium	-	2,587.08
Dividends paid(including DDT)	(1,257.32)	(1,895.30)
Lease Rent Paid	(17.89)	(16.94)
Interest paid	(2,438.68)	(2,001.80)
Net Flows from financing activities	1,316.80	(3,788.33)
Net Cash Flows during the year	45.17	7.45
Cash & Cash equivalents at the beginning of the year	1,183.12	1,175.67
Cash & Cash equivalents at the end of the year	1,228.29	1,183.12

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Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

1 CORPORATE INFORMATION

The Sukhjit Starch & Chemicals Limited ("The Company") is a 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 the Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange Ltd (NSE). The standalone financial statements for the year ended March 31, 2023 were approved by the Board of Directors on 27th May, 2023.

STATEMENT OF COMPLIANCE & BASIS OF PREPARATION OF FINANCIAL STATEMENTS

(i) 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.

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

(ii) The financial statements have been prepared on historical cash basis except for certain financial assets and financial liabilities that are valued at fair value or amortized book value.

All assets and liabilities except deferred tax and liabilities have been classified as current or non-current as per normal operating cycle / criteria given in schedule III to the Act. Deferred tax asset or liabilities are classified as non-current. The company has been taken operating cycle of 12 months for classification of its assets and liabilities as current and non-current.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company for preparation of its financial statements are listed hereunder and these policies have been consistently followed in all the years unless otherwise stated.

(A) Use of Estimates, judgments and assumptions

The preparation of financial statements and disclosures made therein require 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 based upon the reasonable evaluation of relevant facts and circumstances as on the date of financial statements. Actual results could differ from these estimates materiality in case of certain items like provision of employee benefits, residual life of property, plant & equipment and intangible assets, valuation of estimates or provision for bad & doubtful debts. The necessary information concerning estimates is given in the respective notes with information about basis of calculation for each affected line item in the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods

(B) 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. Freehold land is carried at cost of acquisition.

(i) The 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. The cost includes cost of replacing parts of plant and equipment, if recognition criteria are met. Cost of major inspections, dismantling / removing and site restoration costs are ascertained & capitalized. Such Costs also include borrowing costs if the recognition criteria are met. All other repair & maintenance costs are recognized in statement of Profit & Loss.



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (ii) Depreciation on Plant & Machinery has been provided on straight line method according to the expected life span of assets and on other fixed assets 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 in case of some items of property, plant and equipment, which is different from the one specified in Schedule II to the Companies Act, 2013 : Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) Depreciation on additions to the assets is provided on pro- rata basis from the month of such addition. The residual values, useful life of property, plant & equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.
- (iv) During disposal of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-avis carrying cost of assets is accounted for in statement of profit & loss.

(C) 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.

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

(D) Investment and Financial Assets

(i) Investment in Subsidiaries

The investments in subsidiaries are recognized at cost i.e. amount paid for acquisition of such investments. The company assess the indication of any impairment at the end of each reporting period and necessary provision is made for such impairment if the company finds a deficit in the recoverable amount over the cost.

(ii) Other Investments and Financial Assets

The classification of financial assets is done at initial recognition i.e. those to be measured subsequently at fair value through Profit & Loss account (FVTPL) or through other comprehensive income (FVTOCI) and those to

be measured at amortized cost. Classification also depends on Company's objective for holding these financial assets and contractual terms of cash flows.

Trade receivables that do not contain significant financing component are measured at transactional price determined under Ind AS 115.

Subsequent measurement of financial assets depends upon Company's objective for holding the assets and cash flows characteristics of the financial asset like debt instrument is measured at amortized cost of the asset if held for collecting contractual cash flows and stipulated terms give rise to cash flows that comprise only payments of principal and Interest (on specified dates) on the principal amount outstanding.

Equity instruments carried within the scope of Ind AS 109 are measured at fair value. The equity instruments which are held for trading are classified at FVTPL. For all other equity instruments the Company may make an irrevocable election to present the subsequent changes in their fair value in

other comprehensive income. The Classification is made at initial recognition and is irrecoverable. All financial assets that don't meet the criteria for amortized cost or FVTOCI are measured at fair value through Profit & Loss Account.

Impairment of financial assets is assessed on the basis of expected credit losses associated with the financial assets like trade receivables, deposits, lease receivables or debt security and carried at its amortized cost.

Any significant risk in credit is duly provided in the Profit & Loss Account. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability has taken place in the principal market for the asset or liability or in the most advantageous market for the asset or liability and such markets are accessible by the company. A fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by selling it to another market participant who can use the asset to its best use. The company uses the valuation process that is appropriate and relevant to the circumstances and for which sufficient data are available by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The assets and liabilities for which fair value is measured or

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

disclosed in the financial statements have been categorized within the fair value hierarchy on the basis of inputs to valuation process, in order to ensure consistency and comparability in fair value measurement:

Level 1 :

Quoted (unadjusted) market price in the active market for the identical assets or liabilities and the company can access the market on the measurement date. In the absence of active market, a most advantageous market is available, enabling the company to do transaction for the asset or liability at the price in that market on the measurement date.

Level 2 :

Relates to an asset or liability where observable inputs are available other than quoted price included in level 1 and these inputs may include quoted price for similar assets or liabilities in an active market or identical or similar assets or liabilities in the markets that are not active. The other observable inputs may also include interest rates, credit spreads, implied volatilities etc. The adjustment to level 2 inputs may vary according to the condition / location of the asset, volume / level of activities in the market for similar assets or liabilities or other inputs specific / comparable to the asset or liability of the company.

Level 3 :

Unobservable inputs are used to measure the fair value to the extent relevant for the asset or liability at the measurement date. The inputs can be developed on the basis of best information available in the circumstances and necessary adjustment is made to the data used by other market participants according to the nature of the asset or liability.

(E) Inventories

The cost of inventories include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present form / locations. It includes duties & Taxes (other than those recoverable by the Company from the tax authorities), freight inward and other expenses directly attributable / incidental to the purchase.

- (i) Raw materials are valued at cost on weighted average basis or net realisable value whichever is lower.

- (ii) Finished goods & Stock in Process are valued at cost of manufacturing or net realisable value whichever is lower.

- (iii) Bye Products are valued at net realisable value.

- (iv) Stores, Packing Materials & Tools are valued at cost on weighted average basis or net realisable value whichever is lower.

The net realizable value is ascertained on the basis of estimated sales realization during normal course of business net of expenses required to be incurred to complete the transaction.

(F) Cash and Cash Equivalents

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

(G) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed according to 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 asset 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 & applicable at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income.

(H) Lease assets

The company recognises Right-Of-Use Asset (ROU Asset) held under a lease under the head Property Plant & Equipment. The total cost of this ROU Asset has been measured as present value of the future lease payments by discounting total lease payments with interest rate implicit in the lease using the 'Modified Retrospective Approach'. Instead of claiming actual lease payment as an expense, the composite present value of ROU Asset is depreciated under straight line method and interest cost for corresponding lease liability is expensed accordingly, in line with the accounting treatment required by Ind AS 116. For the reporting year, the carrying amount of ROU Asset is an amount equal to the carrying amount of the lease liability on the transition date computed as present value of all future lease payments discounted at an interest rate implicit in the lease.



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(I) Revenue Recognition

(A) Sale of Goods

- (a) Revenue is recognized on the transfer of goods to a customer for an amount that reflects the consideration to which company expects to be entitled in exchange for those goods.
- (b) Revenue is measured at the fair value received or receivable net of discounts, quantity rebates or incentives and taxes on sales. The amount received / receivable from the customer is recognised as sales revenue after the control over the goods sold are transferred to the customer which is generally dispatch of goods.
- (c) Variable consideration includes quantity rebates, discounts etc which are estimated at the contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized, will not occur when the associated uncertainty with the variable consideration is subsequently resolved. In pursuance to AS115, using the practical expedient, the company does not adjust the promised consideration for the effects of a significant financing component concerning the short term advances, if any received from its customers.

(B) Dividends are recognised in profit & loss account only when right to receive the payment is established.

(C) 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.

(D) Insurance or other claims are accounted for on the basis of claims admitted by the insurers and right to receive the claim gets established.

(J) Government subsidy / Grants

Government Grants are recognized only when there is a reasonable assurance that the entity will comply with the conditions attached thereto 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

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

(K) 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. 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.
- (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.

(L) 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 which remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) on 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.

(M) Impairment

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

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(N) Borrowing Cost

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

(O) 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 the accounts but disclosed in notes to accounts.

(P) 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).

Forming part of the standalone financial statements

FOR THE YEAR ENDED MARCH 31, 2023.

NOTE - 3 : FIXED ASSETS AS ON 31ST MARCH, 2023

TANGIBLE & INTANGIBLE ASSETS

Particulars	LAND	RIGHT TO USE (LAND)	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRICFITTING & OTHER EQUIPMENT	VEHICLES	TOTAL TANGIBLE ASSETS	INTANGIBLE ASSETS COMPUTER SOFTWARE	TOTAL ASSETS	PREVIOUS YEAR
Cost as on 01.04.2022	1,359.34	352.24	14,517.45	553.69	35,693.50	1,949.59	604.27	55,030.08	41.63	55,071.71	52,474.59
Additions	18.31	95.65	1,134.74	33.15	6,809.78	87.30	142.87	8,321.80	0.27	8,322.07	2,973.38
Sale/Adjustments	-	-	37.97	47.80	2,510.06	26.49	86.12	2,708.44	-	2,708.44	376.26
Total as at 31.03.2023	1,377.65	447.89	15,614.22	539.04	39,993.22	2,010.40	661.02	60,643.44	41.90	60,685.34	55,071.71
DEPRECIATION											
Upto 31.03.2022	-	26.75	5,205.19	348.38	11,898.03	1,243.14	276.91	18,998.40	38.33	19,036.73	16,818.06
For the Year	-	12.60	832.86	49.63	1,445.69	182.12	139.32	2,662.22	0.77	2,662.99	2,474.37
On Sale/Adjustments	-	-	28.22	2.41	2,130.15	0.76	82.68	2,244.22	-	2,244.22	255.70
Upto 31.03.2023	-	39.35	6,009.83	395.60	11,213.57	1,424.50	333.55	19,416.40	39.10	19,455.50	19,036.73
NET VALUE											
As at 31.03.2023	1,377.65	408.54	9,604.39	143.44	28,779.65	585.90	327.47	41,227.04	2.80	41,229.84	36,034.98
As at 31.03.2022	1,359.34	325.49	9,312.26	205.31	23,795.47	706.45	327.36	36,031.68	3.30	36,034.98	

(₹ Laacs)

(a) The title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.

(b) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year or in the earlier years

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

ASSETS**NON CURRENT ASSETS****4 CAPITAL WORK-IN-PROGRESS**

	AS AT 31.03.2023	AS AT 31.03.2022
Building under Construction	513.70	735.94
Machinery under Errection	940.43	5,619.67
Electric Installation under Errection	7.76	-
Advance against Capital Goods	176.71	32.05
	1,638.60	6,387.66

(₹ Lacs)

CWIP Aging schedule

CWIP	Amount in CWIP for a period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
FY 2022-23					
Projects in progress	1,393.39	68.50	-	-	1,461.89
Projects temporarily suspended	-	-	-	-	-
FY 2021-22					
Projects in progress	1,115.10	1,494.97	3,446.32*	299.22*	6,355.61
Projects temporarily suspended	-	-	-	-	-

(*) (i) Include the cost of the projects, the execution / commissioning of which has been delayed due to Covid restrictions.

(ii) Does not include any project where the activity has been suspended.

5 INVESTMENT PROPERTY

	AS AT 31.03.2023	AS AT 31.03.2022
Land	1,599.34	1,599.34
Advance against Purchase of Property	527.45	436.70
	2,126.79	2,036.04

(₹ Lacs)

Market Value of Land is ₹ 1786.50 lacs.

Total market value of Investment Property is ₹ 2313.95 lacs including ₹ 527.45 lacs advance (P.Y. ₹ 2223.20 lacs).

Depreciation has not been provided.



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

FINANCIAL ASSETS

6 INVESTMENTS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
a INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID (AT COST)		
IN SUBSIDIARIES:-		
(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 33910272 Shares (Prev. year 33910272 Shares) of face value ₹ 10/- each	3,391.03	3,391.03
(iii) Scott Industries Limited 4400000 Shares (Prev. year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	3,851.93	3,851.93
b INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID UP-OTHERS		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
	3,852.66	3,852.66

Aggregate Amount of Unquoted Investments - ₹ 3852.66 lacs (P.Y. ₹ 3852.66 lacs)

Provision of ₹ 400 lacs (PY ₹ 400 lacs) has been made for the impairment in value of investment in one of the subsidiaries i.e M/s Scott Industries Ltd.(Note no. 22)

7 OTHER NON CURRENT ASSET

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unsecured - Considered Good		
Security/Other Deposits	241.91	256.95
Advances to a Subsidiary	2,163.10	2,163.10
	2,405.01	2,420.05

Detail of Loans / advances given without specifying any term or period of repayment :-

Type of Borrower	As on 31.03.2023		As on 31.03.2022	
	Amount of loans / advances	%age to Total Loans/advances in the nature of loans	Amount of loans / advances	%age to Total Loans/advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties (Subsidiary Company)	2163.10	100.00	2163.10	100.00

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

CURRENT ASSETS

8 INVENTORIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Raw Materials-Basic	9,184.75	4,984.92
Stock in Process	1,303.17	1,280.82
Finished Goods	3,959.04	1,536.35
Stores, Spares, Fuel & Other Raw Materials	2,302.20	1,779.58
Loose Tools	17.57	23.52
	16,766.73	9,605.19

- Raw Materials-Basic have been valued at cost on weighted average basis or net realisable value whichever is lower.
- Stock in Process has been valued at cost of manufacturing or net realisable value whichever is lower.
- Finished Goods have been valued at cost of manufacturing or net realisable value whichever is lower.
- Bye Products have been valued at net realisable value
- Stores, Spares, Fuel, ORM & Tools have been valued at cost on weighted average basis or net realisable value whichever is lower.

FINANCIAL ASSETS

9 INVESTMENTS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Investment(at Fair value)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED		
(i) HDFC Banking and PSU Debt Fund 14870728.817 units (Prev. year 10634207.264 units)	2,977.46	2,037.51
(ii) HDFC Short Term Debt Fund 17364802.140 units (Prev. year 17364802.140 units)	4,774.16	4,553.05
	7,751.62	6,590.56

Aggregate Amount of Unquoted Investments - ₹ 7751.62 lacs (P.Y. ₹ 6590.56 lacs)

10 TRADE RECEIVABLES (Unsecured)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Considered good	8,048.54	6,697.34
Considered doubtful	109.77	118.67
	8,158.31	6,816.01
Less: Provision for doubtful debt	109.77	118.67
	8,048.54	6,697.34



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Trade Receivable aging Schedule

Particulars	Outstanding for following periods from due date of payment/date of transaction					Total
	Less than 180 Days	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2022-23						
i) Undisputed - considered good	8,001.41	20.89	8.68	17.56	-	8,048.54
ii) Undisputed - considered doubtful	-	-	-	-	-	-
iii) Disputed - considered good	-	-	-	-	-	-
iv) Disputed - considered doubtful	-	-	-	-	109.77	109.77
	8,001.41	20.89	8.68	17.56	109.77	8,158.31
Less: Provision for doubtful debts						109.77
						8,048.54
FY 2021-22						
i) Undisputed - considered good	6,650.97	22.10	7.56	16.71	-	6,697.34
ii) Undisputed - considered doubtful	-	-	-	-	-	-
iii) Disputed - considered good	-	-	-	-	-	-
iv) Disputed - considered doubtful	-	-	-	-	118.67	118.67
	6,650.97	22.10	7.56	16.71	118.67	6,816.01
Less: Provision for doubtful debts						118.67
						6,697.34

11 CASH AND CASH EQUIVALENTS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Cash in hand	40.75	41.51
Balance with Scheduled Banks in - Current Accounts	86.32	72.25
	127.07	113.76

12 BANK BALANCES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Balance with Scheduled Banks in - Unclaimed Dividend Accounts	96.48	104.04
Margin Money Accounts(*)	178.24	165.27
Fixed Deposit Accounts (**)	826.50	800.05
	1,101.22	1,069.36

(*) Include balances of ₹ 54.72 lacs (P.Y. ₹ 56.80 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.

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

13 OTHER FINANCIAL ASSETS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unsecured Advances - Considered Good		
Recoverable in cash or kind or for value to be received (*)	182.00	133.52
Advances to Subsidiaries	3,537.73	3,029.39
Other Advances	112.20	85.10
	3,831.93	3,248.01

(*) Include ₹ 24.08 lacs (P.Y. ₹ 28.70 lacs) as Advances to Sundry Suppliers for purchase of materials.
₹ 3537.73 lacs (PY ₹ 3029.39 lacs) are advances to subsidiaries against supply of goods/services.

14 INCOME TAX ASSETS (NET)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Income Tax in advance	6,900.27	-
Less : Provision For Tax	6,784.96	-
	115.31	-

15 OTHER CURRENT ASSETS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Prepaid Expenses	140.35	153.28
Interest & Other recoverables	1,346.93	60.28
	1,487.28	213.56

EQUITY

16 EQUITY SHARE CAPITAL

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
AUTHORISED		
20000000 Equity Shares (PY 20000000 shares) of ₹10/- each	2,000.00	2,000.00
ISSUED, SUBSCRIBED & PAID UP		
15622000 Equity shares (PY 15622000 shares) of ₹10/- each fully paid up .	1,562.20	1,562.20
	1,562.20	1,562.20



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

The Details of shareholders holding more than 5% shares:-

Type of Borrower	As on 31.03.2023		As on 31.03.2022		%age change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Smt. Manjoo Sardana	17,16,097	10.99	16,96,097	10.86	0.13
Sh. Kuldip Krishan Sardana	14,82,953	9.49	14,81,123	9.48	0.01
Sh. Dhiraj Sardana	9,57,112	6.13	9,57,112	6.13	-
Sh. Bhavdeep Sardana	9,58,541	6.14	9,51,541	6.09	0.05
Sh. Puneet Sardana	9,56,566	6.12	9,49,566	6.08	0.04
Sh. Pankaj Sardana	9,53,558	6.10	9,53,558	6.10	-

OTHER EQUITY

17 RESERVES & SURPLUS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
A Capital Reserve		
Capital Subsidy	417.67	417.67
B Security Premium Reserve	2,500.84	2,500.84
C General Reserve		
Opening Balance	36,246.35	29,246.35
Add : Transferred from Profit & loss Account	5,000.00	7,000.00
	41,246.35	36,246.35
D Retained Earnings		
As per last Balance Sheet	1,687.52	2,877.58
Add: Profit for the year	7,013.63	7,728.69
	8,701.15	10,606.27
Less: Appropriations/Payments		
(a) Final Dividend	-	442.79
(b) Interim Dividend	1,249.76	1,475.96
(c) Transferred to General Reserve	5,000.00	7,000.00
Surplus Carried Forward	2,451.39	1,687.52
E Other Comprehensive Income (Net of tax)		
Opening balance	64.17	25.81
(a) Remeasurement of defined employee benefit plans	16.44	11.40
(b) Net change in fair value of investments other than equity	222.06	71.55
(c) Item reclassified to P & L	(30.48)	(44.59)
	272.19	64.17
	46,888.44	40,916.55

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

LIABILITIES

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

18 BORROWINGS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
SECURED LOANS - TERM LOAN FROM BANKS		
HDFC Bank Ltd	2,002.40	4,011.98
YES Bank Ltd (TLTRO)	1,000.00	1,000.00
UNSECURED LOANS		
Fixed Deposits (includes ₹ 55,50,000 /- from Directors, previous year ₹ 51,71,000/-)	7,059.20	6,584.40
(Maturity Period Ranging from 1 to 3 years)		
	10,061.60	11,596.38

Notes:-

a HDFC Bank Ltd:-

- i) ₹ 127.40 lacs (PY ₹ 636.98 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit, repayable in sixteen equal quarterly installments. First Installment started from July, 2020.
- ii) ₹ 1875 lacs (PY ₹ 3375 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit, repayable in twenty equal quarterly installments. First Installment started from September, 2020.

The loans are collaterally secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & equitable Mortgage of land and building of Gurplah Unit.

b YES Bank Ltd:-

Secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit. Bullet Repayment in July, 2024.

19 LEASE LIABILITY

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liability	516.14	395.47
	516.14	395.47

20 DEFERRED TAX LIABILITY (NET)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
As per Last Balance Sheet	2,529.29	2,259.55
Add/(Less): tax effect on OCI	70.39	9.74
Add/(Less) : Provision for the year on account of	430.00	260.00



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
timing difference arising on depreciation on fixed assets as per Income Tax Act & Companies Act and on account of others provisions		
	3,029.68	2,529.29

Movement of Deferred Tax Liabilities & Assets

(₹ Lacs)

Particulars	Opening Balance	Recognised in PL	Recognised in OCI	Closing Balance
2022-23				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(3,040.82)	(418.18)	-	(3,459.00)
Others	(22.84)	1.64	(70.39)	(91.59)
Deferred Tax Assets				
Provision for doubtful debts	29.87	(2.24)	-	27.63
Provision for Investments	100.67	-	-	100.67
Brought forward Long Term Loss	362.80	(20.74)	-	342.06
Deferred Income - Govt. Grant(s)	18.62	(1.01)	-	17.61
Difference in lease liab & RTUA	22.41	10.53	-	32.94
Net Deferred tax liability	(2,529.29)	(430.00)	(70.39)	(3,029.68)
2021-22				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(2,749.23)	(291.59)	-	(3,040.82)
Others	(12.26)	(0.84)	(9.74)	(22.84)
Deferred Tax Assets				
Provision for doubtful debts	27.18	2.69	-	29.87
Provision for Investments	100.67	-	-	100.67
Brought forward Long Term Loss	374.09	(11.29)	-	362.80
Deferred Income - Govt. Grant(s)	-	18.62	-	18.62
Difference in lease liab & RTUA	-	22.41	-	22.41
Net Deferred tax liability	(2,259.55)	(260.00)	(9.74)	(2,529.29)

Income Tax recognised in the statement of profit & loss

(₹ Lacs)

Particulars	For year ended March 31, 2023	For year ended March 31, 2022
Current Tax		
In respect of the current year	1830.00	2500.00
Deferred Tax		
In respect of the current year	430.00	260.00
Tax relating to earlier years	-	252.47
Total Income tax expense	2260.00	3012.47

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Reconciliation of the Income Tax Expense for the year :-

Particulars	(₹ Lacs)	
	For year ended March 31, 2023	For year ended March 31, 2022
Profit before tax	9273.63	10741.16
Tax at the Indian Tax Rate of 25.168%	2333.99	2703.34
Net effect of expenses that are not deductible in taxable profits	38.09	30.47
Deductions u/s 35	(5.29)	(5.29)
Others	(106.79)	31.48
	2260.00	2760.00
Effective income tax rate	24.37	25.70
Tax relating to earlier years	-	252.47
Total Income tax expense	2260.00	3012.47

21 DEFERRED INCOME

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Deferred Income -Government grant(s)		
Opening Government grant(s)	74.00	78.00
Less : Credited to P & L	4.00	4.00
Closing Government grant(s)	70.00	74.00

22 OTHER NON CURRENT LIABILITIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Security Deposits	671.02	693.77
Provision	400.00	400.00
Other Long Term Liabilities	552.96	610.30
	1,623.98	1,704.07

CURRENT LIABILITIES

FINANCIAL LIABILITIES

23 BORROWINGS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
SECURED		
Cash Credit limits from Punjab National Bank	9,990.76	5,345.17
Short Term Loan from Citi Bank NA	4,500.00	4,500.00
Current maturities of long Term Borrowings	2,009.59	2,009.59
UNSECURED		
Short Term Loan from YES Bank Ltd	1,000.00	1,000.00
Short Term Loan from HDFC Bank Ltd	2,000.00	-
	19,500.35	12,854.76



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Notes:-

a) Punjab National Bank :-

Secured against hypothecation of raw material, stores, semi-finished goods & finished goods and Book Debts and colletarally secured against Eq. mortgage of land & building of Nizamabad unit, lease rights on land of malda unit, building constructed there on and the P & M and other fixed assets of the Nizambad & Malda units.

b) Citi Bank NA:-

Secured against Eq. mortgage on a part of land located at G T Road, Phagwara

c) Current maturities of long Term Borrowings are secured as per note no. 18(a)

24 TRADE PAYABLES

		(₹ Lacs)	
		AS AT 31.03.2023	AS AT 31.03.2022
a)	Sundry creditors for goods supplied :-		
	(i) Micro, Small & Medium Enterprises (*)	362.76	374.51
	(ii) Others	2,791.81	2,151.96
		3,154.57	2,526.47
b)	Lease Liability	23.27	19.06
c)	(i) Payables for Expenses	1,461.23	1,404.46
	(ii) Other Payables (**)	659.43	727.79
		5,298.50	4,677.78

(*) 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 ₹ 233.81 lacs (P.Y. ₹ 396.39 lacs) as advance from Sundry Customers for supply of Goods

Trade Payables (for goods) Aging Schedule

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
FY 2022-23					
i) MSME	362.76	-	-	-	362.76
ii) Others	2,619.29	23.93	8.04	130.01	2,781.27
iii) Disputed dues -MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	10.54	10.54
	2,982.05	23.93	8.04	140.55	3,154.57
FY 2021-22					
i) MSME	374.51	-	-	-	374.51
ii) Others	1,932.14	69.33	135.62	-	2,137.09
iii) Disputed dues -MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	14.87	14.87
	2306.65	69.33	135.62	14.87	2,526.47

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

25 INCOME TAX LIABILITY (NET)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Provision For Tax	-	4,954.96
Less: Income Tax in advance	-	4,740.97
	-	213.99

26 OTHER CURRENT LIABILITIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unclaimed Dividends	96.48	104.04
Taxes payable	1,379.25	1,272.24
Interest accrued but not due on Fixed Deposits	455.98	368.40
	1,931.71	1,744.68

27 REVENUE FROM OPERATIONS

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
SALES (*)		
Starches	60,096.88	43,242.22
Starch Derivatives	45,549.58	39,119.53
By-products & Misc Sales	37,878.24	33,356.94
	1,43,524.70	1,15,718.69

(*) Sales are net of discounts / rebates / shortages

28 OTHER INCOME

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Interest Received	65.07	58.86
Profit/(Loss) on sale of Assets/Units	97.93	54.43
Others (*)	9.33	8.07
	172.33	121.36

(*) Includes Rent Received of ₹ 5.66 lacs (P.Y. ₹ 5.69 lacs)

29 COST OF MATERIALS CONSUMED

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Opening Stock of Basic Raw Material	4,984.92	3,981.38
Purchase of Basic Raw Material	1,01,623.02	71,615.83
	1,06,607.94	75,597.21



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ Lacs)

	FOR THE YEAR ENDED 31.03.2023		FOR THE YEAR ENDED 31.03.2022
Less Closing Stock of Basic Raw Material	9,184.75		4,984.92
Effective consumption of Basic Raw Material		97,423.19	70,612.29
Packing Material Consumed		3,558.64	3,137.75
		1,00,981.83	73,750.04

30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS

(₹ Lacs)

	FOR THE YEAR ENDED 31.03.2023		FOR THE YEAR ENDED 31.03.2022
Opening Stock of Finished Goods	1,536.35		3,029.17
Opening Stock In Process	1,280.82		1,058.90
		2,817.17	4,088.07
Closing Stock of Finished Goods	3,959.04		1,536.35
Closing Stock In Process	1,303.17		1,280.82
		5,262.21	2,817.17
Change in Inventories		(2,445.04)	1,270.90

31 EMPLOYEE BENEFIT EXPENSES

(₹ Lacs)

	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Wages & Salaries	5,240.92	4,738.58
Cont. to PF, ESI, Superannuation & Other Funds	324.98	313.93
Workmen & Staff Welfare	202.65	188.72
	5,768.55	5,241.23

INFORMATION UNDER Ind AS-19 "EMPLOYEE BENEFITS" :

Defined Benefit Plan

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 & Loss Account of the relevant year. The required disclosures are given hereunder:

(₹ Lacs)

	Gratuity Fund with S.B.I. Life Insuranc	
	2022-23	2021-22
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	1178.10	1,110.29
(b) Current Service Cost	80.60	85.47
(c) Interest Cost	82.67	74.19
(d) Remeasurements	(96.82)	(18.53)

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ Lacs)		
Gratuity Fund with S.B.I. Life Insurance		
	2022-23	2021-22
(e) Benefit Paid	(106.66)	(73.32)
(f) Present Value of Obligation as at the close of the year	(1137.89)	1,178.10
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	1139.08	1,023.32
(b) Expected Return on Plan Assets	85.87	72.32
(c) Remeasurements	(74.84)	(3.29)
(d) Actual Company Contribution	165.00	120.05
(e) Benefit Paid	(106.66)	(73.32)
(f) Fair Value of Plan Assets as at the close of the year	1208.45	1,139.08
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	1137.89	1,178.10
(b) Fair Value of Plan Assets	1208.45	1,139.08
(c) Amount recognized in the Balance Sheet	70.56	39.02
D Components of Defined Benefit Cost		
(a) Current Service Cost	80.60	85.47
(b) Interest Cost	82.67	74.19
(c) Expected Return on Plan Assets	(85.87)	(72.32)
(d) Remeasurements	(21.97)	(15.24)
(e) Deferred Benefit Cost / OCI	55.43	72.10
E Actuarial Assumptions		
(a) Discount Rate (per annum)	7.51 %	7.35%
(b) Expected Rate of Return on Assets (per annum)	7.51 %	7.35%
(c) Salary Escalation Rate	6 to 7 %	7 to 8%

32 FINANCIAL COSTS

(₹ Lacs)		
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Interest Expense	2,438.68	2,001.80
Interest on Lease Liability	50.24	38.55
Other Borrowings Cost / Bank Charges	43.72	47.44
	2,532.64	2,087.79

Borrowing cost capitalised during the year ₹ 22.05 lacs (PY ₹ 160.59 lacs)

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.50 % PA (PY 6.59 %PA)



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

33 OTHER EXPENSES

(₹ Lacs)

	FOR THE YEAR ENDED 31.03.2023		FOR THE YEAR ENDED 31.03.2022	
MANUFACTURING EXPENSES				
Power and Fuel & Others	15,382.81		11,569.98	
Stores & Other Consumables	3,174.60		2,929.36	
Machinery Repair	854.61		604.20	
Building Repair	420.16		376.56	
		19,832.18		15,480.10
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES				
Printing & Stationery	21.18		16.44	
Professional/ Legal Expenses	81.08		72.40	
Directors' Fee	3.78		4.59	
Travelling Expenses	230.29		175.87	
Auditors' Remuneration	7.02		7.02	
Rent Paid	60.26		53.83	
Elec. & Water Charges	24.16		34.64	
Entertainment	4.50		7.70	
Postage, Telegram & Telephones	19.87		21.26	
Advertisement	10.13		11.98	
Subscription	25.01		27.58	
General Charges	7.31		8.76	
Insurance Expenses	142.21		126.12	
Other Repairs & Maintenance	115.64		97.82	
Commission & Brokerage	948.05		833.06	
Provision for Bad debts/written off	-		10.69	
Other Govt. Taxes, Levies & Fees	44.65		31.42	
Directors' Commission	96.16		108.67	
CSR & Donation	132.14		101.20	
Carriage & Forwarding charges	3,116.81		3,043.42	
		5,090.25		4,794.47
		24,922.43		20,274.57

Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

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

2. KEY FINANCIAL RATIOS

Sr. No.	RATIOS	Numerator	Denominator	2022-23	2021-22	Variance (in %)
1	Current Ratio	Current Assets	Current Liabilities	1.47	1.41	4.25
2	Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.24	0.31	(22.58)
3	Debt Service Coverage Ratio	Profit before Tax + Dereciation + Interest	Current Maturity of Long Term Borrowings + Interest	3.19	3.73	(14.48)
4	Return on Equity Ratio	Net Profit after Tax	Avg. Equity	15.43%	20.20%	(23.61)
5	Inventory Turnover Ratio	Net Sales	Avg. Inventory of Finished goods	52.23	50.67	3.08
6	Trade Receivable Turnover Ratio	Net Sales	Avg. Receivables	19.17	17.58	9.04
7	Trade Payable Turnover Ratio	Net Purchases	Avg. Trade Payables	38.15	32.60	17.02
8	Net Capital Turnover Ratio	Net Sales	Avg. working Capital	13.97	16.17	(13.60)
9	Net Profit Ratio	Net Profit	Net Sales	4.89%	6.68%	(26.80)
10	Return on Capital employed	Profit before Interest & Tax	Avg.Cap. Employed (Equity + Non Current Liab.)	19.27%	22.60%	(14.73)
11	Return on Investment					
	Unquoted (Units of Mutual Funds)	Income from Investment	Time weighted Avg Investments	4.93	4.01	22.94
(*)	Unquoted (Fixed Interest bearing Debentures)	Income from Investment	Time weighted Avg Investments	-	11.40	-

Notes on Variation :

Sr.2	Due to increase in Net Worth & decrease in Long Term Debt.
Sr.3&4	Due to lower profits.
Sr.5	Due to higher sales.
Sr.6	Due to efficient realisations.
Sr.7	Due to higher Purchases in the last months of the year.
Sr.8	Due to higher working capital.
Sr.9	Due to low Margins on Sales.
Sr.10	Due to lower Profits.
Sr.11(*)	Due to redemption of debentures on maturity



Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

3. Fair value measurement

I) Financial Instruments by Category

(₹ Lacs)

PARTICULARS	As on 31.03.2023		As on 31.03.2022	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Assets				
Investments				
Short Term Mutual Funds	7751.62		6590.56	
Trade receivables		8048.54		6697.34
Other Financial assets		3831.93		3248.01
Cash and Cash equivalents		127.07		113.76
Fixed Deposits		826.50		800.05
Other Bank balances		274.72		269.31
Other Current assets		1487.28		213.56
	7751.62	13108.76	6590.56	11128.47
Financial Liabilities				
Trade Payables		5298.50		4677.78
Other financial liabilities		1776.44		1776.51
		7074.94		6454.29

II) Financial assets measured at fair value - (recurring fair value measurements) :-

(₹ Lacs)

Particulars	Level 1	Level 2	Level 3	TOTAL
FY 2022-23				
Investments				
Short Term Mutual Funds	7751.62		-	7751.62
Investment Property (land)		1786.50	-	1786.50
	7751.62	1786.50	-	9538.12
FY 2021-22				
Investments				
Short Term Mutual Funds	6590.56		-	6590.56
Investment Property (land)		1786.50	-	1786.50
	6590.56	1786.50	-	8377.06

III) Financial assets measured at amortized cost :-

(₹ Lacs)

PARTICULARS	31.03.2023		31.03.2022	
	Carrying Cost	Fair value	Carrying Cost	Fair value
Investment Property (land)	1599.34	1786.50	1599.34	1786.50

Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

4. Contingent Liabilities not provided for include :

(i) LCs / Bank Guarantees / Corporate Guarantee / Bond :

- (a) The Company has issued LCs / Bank Guarantees for ₹ 10.18 Crores (Previous Year ₹ 10.18 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit.
- (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores (Previous Year ₹ 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. The outstanding balance of the term loan appeared at ₹ 18 Cr. as on 31.03.2023 (₹ 26 Cr. as on 31.03.2022). There is no any other Guarantee / third party Guarantee / security given / provided by the Company.
- (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 9 crores) to Assistant Commissioner of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme. The Company is fulfilling the export obligation under EPCG scheme of the Central Government against import of capital goods at concessional rates. The pending Export obligation appeared at ₹ 61.76 Crores as on 31.03.2023 (Previous year ₹ 65.18 Crores) to be fulfilled in the period of next 6 years. The exports of the company appeared at ₹ 12.59 Crores during the current year (PY ₹ 12.31 crores).

(ii) Disputed Liabilities not acknowledged as debt / not provided for as an expense in the accounts :-

	(₹ Lacs)	
	Current Year	Previous Year
Central Excise Duty (*)	28.93	28.93
GST(**)	2.19	2.19
A.P. Northern Power Distribution Company Ltd (***)	2.81	2.81
Income Tax(****)	1.08	0.52

- (*) ₹ 28.93 Crores is the 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 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. The product has been repeatedly got tested by the Department from the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
- (**) ₹ 2.19 Crores include demand issued by Assistant commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of our products (Cattle Feed) to be taxable under GST Act. The matter for ₹ 0.97 crores is pending for adjudication with the Assistant commissioner CGST Nizamabad and for ₹ 1.22 crores is under appeal with Commissioner (Appeals) at Chandigarh. However, it has been proved to the satisfaction of the Deptt. that the product has been sold and used as cattle feed being fully exempt under the relevant chapter of the GST. So, there does not appear any liability to crystalize on this front.
- (***) ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. Our petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly.
- (****) ₹ 1.08 crores include ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing our claim for an item against the law settled by the Hon'ble Supreme Court. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals). The balance of ₹ 0.58 crores relates to the demand raised by the Assessing officer by wrongly disallowing the expense duly allowable u/s 43B of the Income Tax Act, 1961, without appreciating the factual position. The company has filed a rectification application, which is pending with the Income Tax department.



Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 10.25 Crores (Previous year ₹ 7.50 Crores)

5. Short term loans & advances include ₹ 35.38 Crores (Previous year ₹ 30.29 Crores) and Other non current assets include ₹ 21.63 Crores (Previous year ₹ 21.63 Crores) due from the subsidiary companies. These mainly include ₹ 53.97 Crores (Previous year ₹ 49.13 Crores) receivable from Sukhjit Mega Food Park & Infra Ltd., which is providing some key infrastructural facilities & utilities to the manufacturing unit of the company at Rehana Jattan, Phagwara.

6. Earnings per share :

	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	7,013.63	7,728.69
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,56,22,000	1,56,22,000
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	44.90	49.47
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	44.90	49.47

7. Managerial Remuneration paid/payable to the Executive Directors:

	Current Year	Previous Year
	(₹ Lacs)	
(i) Salaries	123.29	125.59
(ii) Commission	45.70	53.20
(iii) Contribution to retirement benefit funds	8.19	9.03
(iv) Perquisites	15.23	11.53

8. **DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2023**
(Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

RELATED PARTIES

A Subsidiaries :

Sukhjit Mega Food Park & Infra Ltd.
The Vijoy Steel & General Co. Ltd.
Scott Industries Ltd.

B Trusts :

Maa Ambay Girls School
Arya Infotech Society
S D Model Sr Sec School
SD KMV Sr Sec School
Blood Donors Council (Regd.)
Lala Diwani Chand Ram Narain Trust
Arya Model Sr. Sec. School
Kamla Nehru College for Women

Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

C Directors & KMPs :

Smt. Manjoo Sardana, Non Executive Chairperson
 Sh. Kuldip Krishan Sardana, Managing Director
 Sh. Madan Gopal Sharma, Executive Director (Fin) & CFO
 Sh. Tarsem Singh Lally, Non Executive - Independent Director
 Sh. Ranbir Singh Seehra, Non Executive - Independent Director
 Sh. Saravjit Singh Hothi, Non Executive - Independent Director
 Sh. Vikas Uppal, Non Executive- Independent Director
 Smt. Shalini Chablani, Non Executive Director
 Sh. Aman Setia, Vice President (Finance) & Company Secretary

D Relatives of Directors & KMPs of Holding & Subsidiary Companies :

Sh. Dhiraj Sardana
 Sh. Pankaj Sardana
 Ms. Rohini Sardana
 I K Sardana (HUF)
 Smt. Suman Sardana
 Sh. Bhavdeep Sardana
 Sh. Puneet Sardana
 Smt. Dipti Sardana
 Smt. Sona Sardana
 K K Sardana (HUF)
 Smt. Uma Sharma
 Sh. B D Vashisth
 Sh. Sandeep Sharma
 Smt. Shakuntla Sankhyan
 Aman Setia (HUF)
 Sh. G D Setia
 Smt. Pooja Setia
 Smt. Parveen Setia
 Ms. Shreya Setia

E Transactions entered during the year ended 31st March, 2023 :

							(₹ Lacs)
Particulars	Subsidiar-ies	Trusts	Executive Directors	Non-Executive Directors	KMP's excluding Directors	Relatives of Directors & KMPs	
Rent Paid	537.00 (849.13)	-	1.20 (1.20)	-	-	24.00 (24.00)	
Rent Received	0.06 (0.06)	-	5.58 (5.58)	-	-	-	
On account of Sales	75.96 (474.62)	-	-	-	-	-	
On account of Purchases	4901.04 (1206.12)	-	-	-	-	-	



Other Notes on Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(₹ Lacs)

Particulars	Subsidiar-ies	Trusts	Executive Directors	Non-Executive Directors	KMP's excluding Directors	Relatives of Directors & KMPs
CSR Expenditure	-	56.33 (18.00)	-	-	-	-
Remuneration (inc Retirement Benefits)	-	-	146.71 (146.15)	-	37.55 (35.14)	443.87 (311.00)
Commission	-	-	45.70 (53.20)	50.46 (55.47)	-	-
Sitting Fees	-	-	-	3.78 (4.59)	-	-
Dividend	-	-	119.02 (175.76)	143.71 (208.67)	-	391.33 (584.28)
Interest on Fixed Deposits	-	-	2.32 (7.89)	0.01 (19.33)	-	25.13 (77.70)
Fixed Deposit Received	-	-	25.00 (48.78)	0.10 (0.52)	-	224.88 (542.80)
Fixed Deposit Repaid	-	-	15.00 (198.79)	6.31 (312.10)	-	188.38 (798.54)

F Balance Outstanding - Payable on 31st March, 2023 :

(₹ Lacs)

Particulars	Subsidiar-ies	Executive Directors	Non-Executive Directors	Key Management Personnel excluding Directors	Relatives of Directors & KMPs
Amount Receivable	5700.83 (5192.49)	-	-	-	-
Remuneration Payable	-	8.23 (8.23)	-	3.57 (3.35)	9.77 (8.33)
Commission Payable	-	45.70 (53.20)	50.46 (55.47)	-	-
Fixed Deposit Payable	-	55.50 (45.50)	NIL (6.21)	-	684.48 (647.98)
Interest on Fixed Deposits Payable	-	1.93 (1.81)	0.01 (0.54)	-	43.39 (34.60)

9. Corporate Social Responsibility (CSR):

The details of the CSR activities of the Company during the F.Y. 2022-23 :-

(A)	Amount required to be spent by the Company during the year 2022-23	₹ 107.11 lacs
(B)	Amount of expenditure incurred :	₹ 108.86 lacs
(C)	Shortfall at the end of the year:	NIL
(D)	Total previous years shortfall :	NIL
(E)	Reason for shortfall :	N.A.

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(F)	Nature of CS activities :	<ul style="list-style-type: none"> Preventive Healthcare & Environment Sustainability Promoting Education including girl education (rural areas) & employment enhancing vocation skills Livelihood enhancement projects Contribution to the Prime Minister's National Relief Fund 														
(G)	Details of related party transactions :	<table border="1"> <thead> <tr> <th>Trusts</th> <th>(₹ lacs)</th> </tr> </thead> <tbody> <tr> <td>• Maa Ambay Girls School</td> <td>2.00</td> </tr> <tr> <td>• SD KMV Sr Sec School</td> <td>7.00</td> </tr> <tr> <td>• Arya Infotech Society</td> <td>4.00</td> </tr> <tr> <td>• S D Model Sr Sec School</td> <td>36.02</td> </tr> <tr> <td>• Blood Donors Council (Regd.)</td> <td>7.31</td> </tr> <tr> <td>Total</td> <td>56.33</td> </tr> </tbody> </table>	Trusts	(₹ lacs)	• Maa Ambay Girls School	2.00	• SD KMV Sr Sec School	7.00	• Arya Infotech Society	4.00	• S D Model Sr Sec School	36.02	• Blood Donors Council (Regd.)	7.31	Total	56.33
Trusts	(₹ lacs)															
• Maa Ambay Girls School	2.00															
• SD KMV Sr Sec School	7.00															
• Arya Infotech Society	4.00															
• S D Model Sr Sec School	36.02															
• Blood Donors Council (Regd.)	7.31															
Total	56.33															
(H)	Provision for liability incurred by entering into a contractual obligation	N.A.														

10. Computation of Net Profit u/s 198 of the Companies Act, 2013 for Payment of Commission to Directors :

	(₹ Lacs)	
	2022-23	2021-22
Net Profit as per Profit & Loss Account	9273.63	10741.13
Add : Commission to Directors	96.16	108.67
Directors Sitting Fee	3.78	4.59
	9373.57	10854.39
Less : Profit on sale of Assets/Shares	(97.93)	(54.43)
Balance :	9275.64	10799.96
Commission @ 1% on Net Profits to Non-Executive Directors	50.46	55.47
Commission @ 0.5% on Net Profits to Mg. Director	45.70	53.20
Net Profit (as per Section 198)	9179.48	10691.29

11. AUDITORS' REMUNERATION INCLUDES:

	(₹ Lacs)	
	2022-23	2021-22
Audit Fee (Incl. Cost Audit fee)	6.60	6.60
Tax Audit Fee	0.42	0.42

12. EARNINGS IN FOREIGN EXCHANGE:

	(₹ Lacs)	
	2022-23	2021-22
(i) Export of goods on a F.O.B. basis	1259.09	1231.12

13. VALUE OF IMPORTS ON C.I.F. BASIS:

	(₹ Lacs)	
	2022-23	2021-22
(i) Components/Spare Parts/Consumables	52.54	46.75
(ii) Capital Goods	-	2.78



Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

14. EXPENDITURE IN FOREIGN CURRENCY

	(₹ Lacs)	
	2022-23	2021-22
Remittance in foreign currency on Foreign Travel	-	-

15. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, STORES & OTHER CONSUMABLES AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION:

	(₹ Lacs)	
	2022-23	2021-22
(i) Raw Materials		
(a) Imported	-	-
(excluding canalised items)		
(b) Indigenous	97423.19	70612.29
	(100%)	(100%)
(ii) Stores & Other Consumables		
(a) Imported	45.17	34.92
	(1.42%)	(1.19%)
(b) Indigenous	3129.43	2894.45
	(98.58%)	(98.81%)

16. ADDITIONAL REGULATORY INFORMATION / DISCLOSURE AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

- (i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (ii) The quarterly / monthly statements / information of current assets filed by the company with banks are in agreement with the books of accounts.
- (iii) The company has not used the borrowings for any purpose other than the specified purpose of the borrowings. The funds raised on short term basis have not been utilised for long term purposes during the year.
- (iv) There is not default in terms of repayment of any loan i.e either principal or interest thereon.
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (vi) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (vii) Utilisation of borrowed funds and share premium
 - (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

Forming Part of the Standalone Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

- (viii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (x) The company had no transaction during the year with the companies struck off u/s 248 of The Companies Act, 2013 or u/s 560 of The Companies Act, 1956.
- (xi) The Company had no Intangible asset under development at the end of the year.
- (xii) The Company does not have any charges or satisfaction of charges which are yet to be registered with Registrar of Companies beyond the statutory period.
- (xiii) The financial statements have been approved by the Audit Committee and the Board of Directors at their respective meetings held on 27th May, 2023

M.G. Sharma

Executive Director (Finance) & CFO

Aman Setia

Vice President (Finance)
& Company Secretary

K.K. Sardana

Managing Director

As per our separate report of even date

(Y K SUD)

Proprietor

Memb. No. 16875

Firm Reg. No. 000047N

Peer Review Certificate No. 014348

Date: 27/05/2023

Place: Phagwara

Directors

Manjoo Sardana
Tarsem Singh Lally
Ranbir Singh Seehra
Saravjit Singh Hothi
Vikas Uppal



Independent Auditors' Report

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the attached Consolidated financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2023, 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. (herein after referred to as "the Consolidated Ind AS financial Statement").

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, 2023.

Subsidiary Company	(₹ Lacs)	
	Total Assets	Revenue from Operations
Sukhjit Mega Food Park & Infra Ltd.	14,296.02	6548.44
The Vijoy Steel & General Mills Co. Ltd.	153.03	115.72
Scott Industries Ltd.	68.15	--

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.

BASIS FOR OPINION

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing ('SAs'), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that in our professional judgment, were significant in our audit of the consolidated financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described under the 'Auditor's responsibilities section' of our report, for the audit of the consolidated financial statements, including in relation to these matters. Our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement (if any) in the consolidated financial statements.

Key Audit Matters	Auditor's Response
<p>Revenue recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and found that the revenue has been recognized in accordance with the revenue recognition policy and the accounting standard. Evaluated the design, implementation and operating effectiveness of Company's internal controls in respect of revenue recognition

Key Audit Matters	Auditor's Response
	<ul style="list-style-type: none"> • Tested 'on a sample basis' the supporting documents for the sale transactions recorded during the year which included copy of orders, customer' contracts, sales invoices and Recoveries as per sale orders / contracts etc. • Substantive test check of sales transactions recorded during the period closer to the year end and subsequent to the year end.
Capitalization of property, plant and equipment	
<p>The Company has made significant capital expenditure on Plant & Machinery, modernization and replacement of plant and equipment. We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on depreciation charge for the year and booking of revenue & expenditure, thereby affecting the overall profits of the Company</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Making study of and testing the design, implementation and operating effectiveness of management's key internal control over capital expenditure; • Comparing, on sample basis, the costs incurred on capital goods with supporting documentation and contracts. Further assessing that the expenditure incurred is of capital nature and has been properly segregated into the appropriate categories of PPEs. • Inspecting supporting documents for the date of capitalization when capital assets were ready for intended use to assess that depreciation commenced and further capitalization of costs ceased from that date and to assess the useful life assigned by management including testing the calculation of related depreciation. • Verifying that the capital WIP included only those items which were under commissioning and required more time & expenditure for their completion & get ready for use after the end of the relevant financial year. Further verifying that no depreciation has been charged on the capital WIP.
Inventory & its Valuation	
<p>We identified the inventories as a key audit matter as it involves significant management judgments in determining the level of inventory to be carried and its valuation.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> • Assessment of the management's inventory control procedures, system of accounting for receipt / issue of material, maintenance of appropriate records for balance of stock on a daily basis and basis of valuation of stock. • Verification that the Company maintains appropriate levels of raw material inventory at its various plant locations, to ensure continues running of its operations. • Assessing the appropriateness of Company's accounting policy for valuation of stock and compliance of the policy with the requirements of the prevailing accounting standards. • We have been able to conclude that the stocks of raw material are being maintained by the company at reasonable levels having regard to the nature of business of the Company and seasonality involved in the procurement / availability of the raw material.



OTHER INFORMATION

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 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. 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 judgements 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS 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 Consolidated 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 Consolidated 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 Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its subsidiaries /associates to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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 Consolidated 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) order, 2020 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013.
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 Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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"
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) 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 :
 - (a) 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.

- (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
- (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (d) (i) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities

(‘Intermediaries’), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively

that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (‘Funding Parties’), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (‘Ultimate Beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.

- (e) The interim dividend declared and paid by the Company during the year has been in accordance with section 123 of the Act, as applicable.

3. With respect to the matters specified in the Companies (Auditor’s Report) Order, 2020 (‘CARO’/‘the Order’) issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the Consolidated Financial Statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the Consolidated Financial Statements.

FOR **Y K SUD & CO**
 CHARTERED ACCOUNTANTS
 Firm Reg. No. 000047N

Sd/-
(Y K SUD)
 Proprietor

Memb. No. 16875

Peer Review Certificate No. 014348

UDIN. 23016875BGWNWY5407

Place : Jalandhar

Dated : 27th May, 2023

Annexure A 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, 2023 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 respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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, 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.

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 in reasonable details, accurately that 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, 2023, 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.

Place : Jalandhar
Dated : 27th May, 2023

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 3 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above

FOR **Y K SUD & CO**
CHARTERED ACCOUNTANTS
Firm Reg. No. 000047N

Sd/-
(Y K SUD)
Proprietor
Memb. No. 16875
Peer Review Certificate No. 014348
UDIN. 23016875BGWNWY5407

Consolidated Balance Sheet

AS ON MARCH 31, 2023

	NOTE	AS ON 31.03.2023 (₹ Lacs)	AS ON 31.03.2022 (₹ Lacs)
ASSETS			
1 NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	52,766.11	48,346.34
(b) Right to use Assets	3	966.74	906.01
(c) Capital Work-in-progress	4	1,651.73	6,387.66
(d) Investment Property	5	2,170.79	2,080.04
(e) Other Intangible Assets	3	2.94	3.43
(f) Financial Assets - Investments	6	0.73	0.73
(f) Other Non Current Asset	7	295.51	297.78
		57,854.55	58,021.99
2 CURRENT ASSETS			
(a) Inventories	8	17,894.27	10,831.75
(b) Financial Assets			
(i) Investments	9	7,751.62	6,590.56
(ii) Trade Receivables	10	8,070.61	6,738.61
(iii) Cash & Cash Equivalents	11	158.69	142.37
(iv) Bank Balance other than (iii)	12	1,102.22	1,070.36
(v) Other Financial Assets	13	831.50	1,238.98
(c) Income Tax Assets(net)	14	149.20	-
(d) Other Current Assets	15	1,513.27	242.29
		37,471.38	26,854.92
Total Assets		95,325.93	84,876.91
EQUITY AND LIABILITIES			
A EQUITY			
(a) Equity share capital	16	1,562.20	1,562.20
(b) Other Equity	17	44,990.66	39,696.09
(c) Minority Interest		1.07	0.84
		46,553.93	41,259.13
B LIABILITIES			
1 Non Current Liabilities			
(a) Financial Liabilities - Borrowings	18	11,061.60	13,396.38
(b) Lease Liability	19	1,297.43	1,135.45
(c) Deferred Tax Liabilities (net)	20	2,909.67	2,388.24
(d) Deferred Income - Govt. Grant(s)	21	3,265.64	3,402.79
(c) Other Non Current Liabilities	22	1,652.74	1,724.68
		20,187.08	22,047.54
2 Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	20,865.90	14,253.66
(ii) Trade Payables			
- Micro, Small & Medium Enterprises	24	372.07	404.38
- Others	24	5,413.33	4,999.06
(b) Income Tax Liability (net)	25	-	166.44
(c) Other Current Liabilities	26	1,933.62	1,746.70
		28,584.92	21,570.24
Total Liabilities		95,325.93	84,876.91

M.G. Sharma
Executive Director (Finance) & CFO

Aman Setia
Vice President (Finance)
& Company Secretary

K.K. Sardana
Managing Director

As per our separate report of even date
For **Y K SUD & CO**
Chartered Accountants

(Y K SUD)
Proprietor
Memb. No. 16875
Firm Reg. No. 000047N
Peer Review Certificate No. 014348

Directors

Manjoo Sardana
Tarsem Singh Lally
Ranbir Singh Seehra
Saravjit Singh Hothi
Vikas Uppal

Date: 27/05/2023
Place: Phagwara



Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2023

PARTICULARS	NOTE	FOR THE	FOR THE
		YEAR ENDED 31.03.2023 (₹ Lacs)	YEAR ENDED 31.03.2022 (₹ Lacs)
I Revenue From Operations	27	1,44,657.23	1,15,897.38
II Other Income	28	304.46	308.13
III Total Revenue		1,44,961.69	1,16,205.51
IV Expenses			
Cost of Materials Consumed	29	1,01,417.53	74,423.10
Change in Inventories of Finished Goods, Stock-in-Trade and Work-in- Process	30	(2,483.81)	453.53
Employee Benefits Expenses	31	6,060.86	5,427.74
Financial Costs	32	2,827.63	2,383.93
Depreciation and Amortisation Exp.	3	3,563.52	3,503.84
Other Expenses	33	24,953.67	19,819.24
Total Expenses		1,36,339.40	1,06,011.38
V Profit Before Tax(III-IV)		8,622.29	10,194.13
VI Tax Expense :			
- Current Tax		1,830.00	2,500.00
- Deferred Tax		451.04	158.20
- Taxes Relating to Previous Yrs		5.17	251.56
		2,286.21	2,909.76
VII Profit for the period (V-VI)		6,336.08	7,284.38
VIII Add/(Less) Minority Interest		0.23	0.13
IX Profit for the period (IX+XII)		6,336.31	7,284.51
X Other Comprehensive Income			
A) Itmes that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		21.97	15.24
(b) Income Tax relating to items that will not be reclassified to Profit & Loss		(5.53)	(3.83)
B) Itmes that will be reclassified to Profit or Loss			
(a) Net change in fair value of investments other than equity		296.75	95.61
(b) Income Tax relating to items that will be reclassified to Profit & Loss		(74.69)	(24.06)
XI Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and other Comprehensive Income for the period)		6,574.81	7,367.46
XII Earning per equity share :			
(1) Basic		40.56	46.63
(2) Diluted		40.56	46.63

M.G. Sharma
Executive Director (Finance) & CFO

Aman Setia
Vice President (Finance)
& Company Secretary

K.K. Sardana
Managing Director

As per our separate report of even date
For **Y K SUD & CO**
Chartered Accountants

(Y K SUD)
Proprietor
Memb. No. 16875
Firm Reg. No. 000047N
Peer Review Certificate No. 014348
Date: 27/05/2023
Place: Phagwara

Directors

Manjoo Sardana
Tarsem Singh Lally
Ranbir Singh Seehra
Saravjit Singh Hothi
Vikas Uppal

Consolidated Statement of Change in Equity

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Reserve and Surplus					Total
	Capital Reserve	Security Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2023						
Balance at the beginning of the reporting period i.e. 1st April, 2022	417.81	2,500.84	36,246.35	466.92	64.17	39,696.09
Profit for the year				6,336.31		6,336.31
Other Comprehensive Income					238.50	238.50
Dividends				(1,249.76)		(1,249.76)
Transfer to General Reserve			5,000.00	(5,000.00)		-
OCI reclassified to P&L					(30.48)	(30.48)
Balance at the end of the reporting period i.e. 31st March, 2023	417.81	2,500.84	41,246.35	553.47	272.19	44,990.66
AS ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e. 1st April, 2021	417.81	-	29,246.35	2,101.16	25.81	31,791.13
Profit for the year				7,284.51		7,284.51
Other Comprehensive Income					82.95	82.95
Security Premium		2,500.84				2,500.84
Dividends				(1,918.75)		(1,918.75)
Transfer to General Reserve			7,000.00	(7,000.00)		-
OCI reclassified to P&L					(44.59)	(44.59)
Balance at the end of the reporting period i.e. 31st March, 2022	417.81	2,500.84	36,246.35	466.92	64.17	39,696.09

Notes :

1. Capital Reserve : Capital Reserve has been created out of subsidy received as capital receipt and will be capitalised accordingly.
2. General Reserve : The general reserve is a free reserve which is created / used from time to time to transfer profits from / to retained earnings for appropriation purposes. The general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.
3. Retained Earnings : This reserve represents unappropriated accumulated earnings of the company as on the balance sheet date.
4. Security Premium Reserve : The Security Premium Reserve has been created on receipt of the premium on issue of equity shares of face value of ₹10 each @ ₹ 300/- per share during FY 2021-22 (i.e. at a premium of ₹ 290/- per share). The share premium reserve will be utilized in future in accordance with the provisions of The Companies Act, 2013

M.G. Sharma

Executive Director (Finance) & CFO

Aman Setia

Vice President (Finance)
& Company Secretary

K.K. Sardana

Managing Director

As per our separate report of even date
For **Y K SUD & CO**
Chartered Accountants

(Y K SUD)

Proprietor
Memb. No. 16875
Firm Reg. No. 000047N
Peer Review Certificate No. 014348

Date: 27/05/2023
Place: Phagwara

Directors

Manjoo Sardana
Tarsem Singh Lally
Ranbir Singh Seehra
Saravjit Singh Hothi
Vikas Uppal



Consolidated Cash Flow Statement

FOR THE YEAR ENDED MARCH 31, 2023

Flows from operating activities	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Net Profit before tax	8,622.28	10,194.14
Adjustments for non-cash items		
Depreciation	3,563.52	3,503.84
Interest on Lease Liability	127.50	111.49
Provision	11.73	31.32
Adjustments for non operating activities		
Interest received	(73.01)	(69.46)
Apportionment of Deferred Income	(137.15)	(137.15)
Interest paid	2,655.96	2,224.91
(Profit) Loss on sale of investments/assets	(97.87)	(54.43)
Flows from operations before working capital changes	14,672.96	15,693.16
Changes in working capital		
Trade and other receivables	(2,207.23)	362.89
Inventories	(7,062.53)	(674.33)
Trade payables	381.98	774.15
Other Liabilities	219.31	579.36
Flows from operating activities	6,004.49	16,735.23
Net Direct Taxes Paid	(1,907.60)	(2,313.15)
Net Flows from operating activities	4,096.90	14,422.08
Flows from investing activities		
Purchase of fixed assets	(3,686.19)	(3,069.45)
Sale of fixed assets	572.11	240.38
Acquisition of Minority Interest	0.23	0.13
Other Investments	(1,249.53)	(5,703.12)
Interest received	73.01	69.46
Net Flows from investing activities	(4,290.37)	(8,462.59)
Flows from financing activities		
Loans raised for working capital	6,612.23	2,845.46
Term Loans raised	-	1,000.00
Repayment of Term Loan	(2,809.59)	(6,009.59)
Other Loans raised/(Repaid)	402.85	(2,237.67)
Equity share Capital and Security Premium	-	2,587.08
Dividends paid(including DDT)	(1,257.32)	(1,895.30)
Lease Rent Paid	(50.57)	(37.19)
Interest paid	(2,655.96)	(2,224.91)
	241.65	(5,972.12)
Net Cash Flows during the year	48.18	(12.63)
Cash & Cash equivalents at the beginning of the year	1,212.73	1,225.36
Cash & Cash equivalents at the end of the year	1,260.91	1,212.73

M.G. Sharma

Executive Director (Finance) & CFO

Aman Setia

Vice President (Finance)
& Company Secretary

K.K. Sardana

Managing Director

As per our separate report of even date

For **Y K SUD & CO**

Chartered Accountants

(Y K SUD)

Proprietor

Memb. No. 16875

Firm Reg. No. 000047N

Peer Review Certificate No. 014348

Date: 27/05/2023

Place: Phagwara

Directors

Manjoo Sardana

Tarsem Singh Lally

Ranbir Singh Seehra

Saravjit Singh Hothi

Vikas Uppal

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

1 CORPORATE INFORMATION

The Sukhjit Starch & Chemicals Limited ("The Company") is a 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 the Bombay Stock Exchange Ltd. (BSE) & National Stock Exchange Ltd (NSE). The consolidated financial statements for the year ended March 31, 2023 were approved by the Board of Directors on 27th May, 2023.

2 STATEMENT OF COMPLIANCE & BASIS OF PREPARATION OF FINANCIAL STATEMENTS

- (i) These financial statements are the separate financial statements of the Company (also called consolidated 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.

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

- (ii) The financial statements have been prepared on historical cash basis except for certain financial assets and financial liabilities that are valued at fair value or amortized book value.

All assets and liabilities except deferred tax and liabilities have been classified as current or non-current as per normal operating cycle / criteria given in schedule III to the Act. Deferred tax asset or liabilities are classified as non-current. The company has been taken operating cycle of 12 months for classification of its assets and liabilities as current and non-current.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company for preparation of its financial statements are listed hereunder and these policies have been consistently followed in all the years unless otherwise stated.

(A) Use of Estimates, judgments and assumptions

The preparation of financial statements and disclosures made therein require 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 based upon the reasonable evaluation of relevant facts and circumstances as on the date of financial statements. Actual results could differ from these estimates materiality in case of certain items like provision of employee benefits, residual life of property, plant & equipment and intangible assets, valuation of estimates or provision for bad & doubtful debts. The necessary information concerning estimates is given in the respective notes with information about basis of calculation for each affected line item in the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods

(B) 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. Freehold land is carried at cost of acquisition.

- (i) The 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. The cost includes cost of replacing parts of plant and equipment, if recognition criteria are met. Cost of major inspections, dismantling / removing and site restoration costs are ascertained & capitalized. Such Costs also include borrowing costs if the recognition criteria are met. All other repair & maintenance costs are recognized in statement of Profit & Loss.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method according to the expected life span of assets and on other fixed



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

assets 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 in case of some items of property, plant and equipment, which is different from the one specified in Schedule II to the Companies Act, 2013 : Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.

- (iii) Depreciation on additions to the assets is provided on pro- rata basis from the month of such addition. The residual values, useful life of property, plant & equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.
- (iv) During disposal 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.

(C) 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.

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

(D) Investment and Financial Assets

The classification of financial assets is done at initial recognition i.e. those to be measured subsequently at fair value through Profit & Loss account (FVTPL) or through other comprehensive income (FVTOCI) and those to be measured at amortized cost. Classification also depends on Company's objective for holding these financial assets and contractual terms of cash flows.

Trade receivables that do not contain significant financing component are measured at transactional price determined under Ind AS115.

Subsequent measurement of financial assets depends upon Company's objective for holding the assets and cash flows characteristics of the financial asset like debt instrument is measured at amortized cost of the asset if held for collecting contractual cash flows and stipulated terms give rise to cash flows that comprise only payments of principal and Interest (on specified dates) on the principal amount outstanding.

Equity instruments carried within the scope of Ind AS 109 are measured at fair value. The equity instruments which are held for trading are classified at FVTPL. For all other equity instruments the Company may make an irrevocable election to present the subsequent changes in their fair value in other comprehensive income. The Classification is made at initial recognition and is irrecoverable. All financial assets that don't meet the criteria for amortized cost or FVTOCI are measured at fair value through Profit & Loss Account.

Impairment of financial assets is assessed on the basis of expected credit losses associated with the financial assets like trade receivables, deposits, lease receivables or debt security and carried at its amortized cost.

Any significant risk in credit is duly provided in the Profit & Loss Account. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability has taken place in the principal market for the asset or liability or in the most advantageous market for the asset or liability and such markets are accessible by the company. A fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by selling it to another market participant who can use the asset to its best use. The company uses the valuation process that is appropriate and relevant to the circumstances and for which sufficient data are available by maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The assets and liabilities for which fair value is measured or disclosed in the financial statements have been categorized within the fair value hierarchy on the basis of inputs to valuation process, in order to ensure consistency and comparability in fair value measurement:

Level 1 :

Quoted (unadjusted) market price in the active market for the identical assets or liabilities and the company can access the market on the measurement date. In the absence of active market, a most advantageous market is available, enabling the company to do transaction for the asset or liability at the price in that market on the measurement date.

Level 2 :

Relates to an asset or liability where observable inputs are available other than quoted price included in level 1 and these inputs may include quoted price for similar assets or liabilities in an active market or identical or similar assets or liabilities in the markets that are not active. The other observable inputs may also include interest

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

rates, credit spreads, implied volatilities etc. The adjustment to level 2 inputs may vary according to the condition / location of the asset, volume / level of activities in the market for similar assets or liabilities or other inputs specific / comparable to the asset or liability of the company.

Level 3 :

Unobservable inputs are used to measure the fair value to the extent relevant for the asset or liability at the measurement date. The inputs can be developed on the basis of best information available in the circumstances and necessary adjustment is made to the data used by other market participants according to the nature of the asset or liability.

(E) Inventories

The cost of inventories include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present form / locations. It includes duties & Taxes (other than those recoverable by the Company from the tax authorities), freight inward and other expenses directly attributable / incidental to the purchase.

- (i) Raw materials are valued at cost on weighted average basis or net realisable value whichever is lower.
- (ii) Finished goods & Stock in Process are valued at cost of manufacturing or net realisable value whichever is lower.
- (iii) Bye Products are valued at net realisable value.
- (iv) Stores, Packing Materials & Tools are valued at cost on weighted average basis or net realisable value whichever is lower.

The net realizable value is ascertained on the basis of estimated sales realization during normal course of business net of expenses required to be incurred to complete the transaction.

(F) Cash and Cash Equivalents

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

(G) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed according to 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 asset 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 & applicable at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised in other comprehensive income.

(H) Lease assets

The company recognises Right-Of-Use Asset (ROU Asset) held under a lease under the head Property Plant & Equipment. The total cost of this ROU Asset has been measured as present value of the future lease payments by discounting total lease payments with interest rate implicit in the lease using the 'Modified Retrospective Approach'. Instead of claiming actual lease payment as an expense, the composite present value of ROU Asset is depreciated under straight line method and interest cost for corresponding lease liability is expensed accordingly, in line with the accounting treatment required by Ind AS 116. For the reporting year, the carrying amount of ROU Asset is an amount equal to the carrying amount of the lease liability on the transition date computed as present value of all future lease payments discounted at an interest rate implicit in the lease.

(I) Revenue Recognition

Sale of Goods

- (a) Revenue is recognized on the transfer of goods to a customer for an amount that reflects the consideration to which company expects to be entitled in exchange for those goods.
- (b) Revenue is measured at the fair value received or receivable net of discounts, quantity rebates or incentives and taxes on sales. The amount received / receivable from the customer is recognised as sales revenue after the control over the goods sold are transferred to the customer which is generally dispatch of goods.
- (c) Variable consideration includes quantity rebates, discounts etc which are estimated at the contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized, will not occur when the associated uncertainty with the variable consideration is subsequently resolved. In pursuance to AS115, using the practical expedient, the company does not adjust the promised consideration for the effects of a significant financing component concerning the short term advances, if any received from its customers.

- (F) Dividends are recognised in profit & loss account only when right to receive the payment is established.



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(G) 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.

(H) Insurance or other claims are accounted for on the basis of claims admitted by the insurers and right to receive the claim gets established.

(J) Government subsidy / Grants

Government Grants are recognized only when there is a reasonable assurance that the entity will comply with the conditions attached thereto 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

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

(K) 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. 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.

(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.

(L) 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 which remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) on 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.

(M) Impairment

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

(N) Borrowing Cost

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

(O) 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 the accounts but disclosed in notes to accounts.

(P) 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).

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FOR THE YEAR ENDED MARCH 31, 2023

NOTE - 3 : FIXED ASSETS AS ON 31ST MARCH, 2023

TANGIBLE & INTANGIBLE ASSETS

Particulars	(₹ Lacs)										
	LAND	RIGHT TO USE (LAND)	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRICFITTING & OTHER EQUIPMENT	VEHICLES	TOTAL TANGIBLE ASSETS	INTANGIBLE ASSETS COMPUTER SOFTWARE	TOTAL ASSETS	PREVIOUS YEAR
Cost as on 01.04.2022	1,809.76	999.74	19,196.64	638.00	43,973.96	2,587.07	707.41	69,912.58	41.81	69,954.39	66,271.43
Additions	18.31	95.65	1,149.58	33.19	6,987.83	90.06	142.87	8,517.49	0.27	8,517.77	4,124.86
Sale / Adjustments	-	-	37.97	47.80	2,520.93	26.49	86.12	2,719.30	-	2,719.30	441.89
Total as on 31.03.2023	1,828.07	1,095.40	20,308.25	623.39	48,440.86	2,650.64	764.16	75,710.77	42.08	75,752.86	69,954.39
DEPRECIATION											
Upto 31.03.2022	-	93.73	5,965.71	379.17	12,548.03	1,351.75	321.84	20,660.23	38.38	20,698.61	17,450.71
for the year	-	34.92	1,234.34	64.47	1,871.95	198.00	159.08	3,562.76	0.77	3,563.52	3,503.84
on sale / Adjustments	-	-	28.22	2.41	2,131.01	0.76	82.68	2,245.07	-	2,245.07	255.94
Upto 31.03.2023	-	128.65	7,171.84	441.23	12,288.97	1,548.99	398.24	21,977.92	39.14	22,017.06	20,698.61
NET VALUE											
as at 31.03.2023	1,828.07	966.74	13,136.42	182.17	36,151.89	1,101.65	365.91	53,732.85	2.94	53,735.79	49,255.78
as at 31.03.2022	1,809.76	906.01	13,230.93	258.83	31,425.93	1,235.31	385.57	49,252.35	3.43	49,255.78	

(a) The title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.

(b) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year or in the earlier years



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

ASSETS

NON CURRENT ASSETS

4 CAPITAL WORK-IN-PROGRESS

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
Building under Construction	513.70	735.94
Machinery under Errection	953.56	5,619.67
Electric Installation under Errection	7.76	-
Advances for Work in progress	176.71	32.05
	1,651.73	6,387.66

CWIP Aging schedule (Consolidated)

CWIP	Amount in CWIP for a period of				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
FY 2022-23					
Projects in progress	1,406.52	68.50	-	-	1,475.02
Projects temporarily suspended	-	-	-	-	-
FY 2021-22					
Projects in progress	1,115.10	1,494.97	3,446.32*	299.22*	6,355.61
Projects temporarily suspended	-	-	-	-	-

(*) (i) Include the cost of the projects, the execution / commissioning of which has been delayed due to Covid restrictions.

(ii) Does not include any project where the activity has been suspended.

5 INVESTMENT PROPERTY

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
Land	1,643.34	1,643.34
Advances against Purchase of Property	527.45	436.70
	2,170.79	2,080.04

Market Value of Land is ₹ 1830.06 lacs.

Total market value of Investment Property is ₹ 2357.51 lacs including ₹ 527.45 lacs advance (P.Y. ₹ 2266.76 lacs).

Depreciation has not been provided.

FINANCIAL ASSETS

6 INVESTMENTS

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
	0.73	0.73

Aggregate Amount of Unquoted Investments - ₹ 0.73 lacs (P.Y. ₹ 0.73 lacs)

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

7 OTHER NON CURRENT ASSET

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unsecured - Considered Good		
Security/Other Deposits	295.51	297.78
	295.51	297.78

Detail of Loans / advances given without specifying any term or period of repayment :-

Type of Borrower	As on 31.03.2023		As on 31.03.2022	
	Amount of loans / advances	%age to Total Loans/advances in the nature of loans	Amount of loans / advances	%age to Total Loans/advances in the nature of loans
Promotors	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-

CURRENT ASSETS

8 INVENTORIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Raw Materials-Basic	9,192.11	4,994.90
Stock in Process	1,377.45	1,306.54
Finished Goods	4,764.29	2,351.39
Stores, Spares, Fuel & Other Raw Materials	2,542.85	2,155.40
Loose Tools	17.57	23.52
	17,894.27	10,831.75

- Raw Materials-Basic have been valued at cost on weighted average basis or net realisable value whichever is lower.
- Stock in Process has been valued at cost of manufacturing or net realisable value whichever is lower.
- Finished Goods have been valued at cost of manufacturing or net realisable value whichever is lower.
- Bye Products have been valued at net realisable value
- Stores, Spares, Fuel, ORM & Tools have been valued at cost on weighted average basis or net realisable value whichever is lower.



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FOR THE YEAR ENDED MARCH 31, 2023

FINANCIAL ASSETS

9 INVESTMENTS

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
Investment(at Fair value)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED		
(i) HDFC Banking and PSU Debt Fund 14870728.817 units (Prev. year 10634207.264 units)	2,977.46	2,037.51
(ii) HDFC Short Term Debt Fund 17364802.140 units (Prev. year 17364802.140 units)	4,774.16	4,553.05
	7,751.62	6,590.56

Aggregate Amount of Unquoted Investments - ₹7751.62 lacs (P.Y. ₹ 6590.56 lacs)

10 TRADE RECEIVABLES (Unsecured)

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
Considered good	8,049.97	6,697.34
Considered doubtful	316.09	324.99
	8,366.06	7,022.33
Less: Provision for doubtful debt	295.45	283.72
	8,070.61	6,738.61

Trade Receivable Aging Schedule (Consolidated)

Particulars	Outstanding for following periods from due date of payment/date of transaction					Total
	Less than 180 Days	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2022-23						
i) Undisputed - considered good	8,002.84	20.89	8.68	17.56	-	8,049.97
ii) Undisputed - considered doubtful	-	-	-	-	-	-
iii) Disputed - considered good	-	-	-	-	-	-
iv) Disputed - considered doubtful	-	-	-	-	316.09	316.09
	8,002.84	20.89	8.68	17.56	316.09	8,366.06
Less: Provision for doubtful debts						295.45
						8,070.61
FY 2021-22						
i) Undisputed - considered good	6,650.97	22.10	7.56	16.71	-	6,697.34
ii) Undisputed - considered doubtful	-	-	-	-	-	-
iii) Disputed - considered good	-	-	-	-	-	-
iv) Disputed - considered doubtful	-	-	-	-	324.99	324.99
	6,650.97	22.10	7.56	16.71	324.99	7,022.33
Less: Provision for doubtful debts						283.72
						6,738.61

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

11 CASH AND CASH EQUIVALENTS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Cash in hand	41.30	42.13
Balance with Scheduled Banks in -		
Current Accounts	117.39	100.24
	158.69	142.37

12 BANK BALANCES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Balance with Scheduled Banks in -		
Unclaimed Dividend Accounts	96.48	104.04
Margin Money Accounts(*)	178.24	165.27
Fixed Deposit Accounts (**)	827.50	801.05
	1,102.22	1,070.36

(*) Include balances of ₹ 54.72 lacs (P.Y. ₹ 56.80 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

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unsecured Advances- Considered Good		
Recoverable in cash or kind or for value to be received (*)	652.40	1,091.63
Other Advances	179.10	147.35
	831.50	1,238.98

(*) Include ₹ 24.08 lacs (P.Y. ₹ 28.70 lacs) as Advances to Sundry Suppliers for purchase of materials.

14 INCOME TAX ASSETS (NET)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Income Tax in advance	6,934.16	-
Less : Provision For Tax	6,784.96	-
	149.20	-



Forming Part of the Consolidated Financial Statements

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15 OTHER CURRENT ASSETS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Prepaid Expenses	164.33	180.64
Interest & Other recoverables	1,348.94	61.65
	1,513.27	242.29

EQUITY

16 EQUITY SHARE CAPITAL

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
AUTHORISED		
200,00,000 Equity Shares of ₹10/- each	2,000.00	2,000.00
ISSUED, SUBSCRIBED & PAID UP		
15622000 Equity shares (PY 15622000 shares) of ₹10/- each fully paid up .	1,562.20	1,562.20
	1,562.20	1,562.20

The Details of shareholders holding more than 5% shares:-

Type of Borrower	As on 31.03.2023		As on 31.03.2022		%age change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Smt. Manjoo Sardana	17,16,097	10.99	16,96,097	10.86	0.13
Sh. Kuldip Krishan Sardana	14,82,953	9.49	14,81,123	9.48	0.01
Sh. Dhiraj Sardana	9,57,112	6.13	9,57,112	6.13	-
Sh. Bhavdeep Sardana	9,58,541	6.14	9,51,541	6.09	0.05
Sh. Puneet Sardana	9,56,566	6.12	9,49,566	6.08	0.04
Sh. Pankaj Sardana	9,53,558	6.10	9,53,558	6.10	-

OTHER EQUITY

17 RESERVES & SURPLUS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
A Capital Subsidy	417.81	417.81
B Security Premium Reserve	2,500.84	2,500.84
C General Reserve		
Opening Balance	36,246.35	29,246.35
Add : Transferred from Profit & loss Account	5,000.00	7,000.00
	41,246.35	36,246.35
D Profit & Loss Account		
As per last Balance Sheet	466.92	2,101.16
Add: Profit for the year	6,336.31	7,284.51
	6,803.23	9,385.67

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Less: Appropriations/Payments		
(a) Final Dividend	-	442.79
(b) Interim Dividend	1,249.76	1,475.96
(c) Transferred to General Reserve	5,000.00	7,000.00
Surplus Carried Forward	553.47	466.92
E Other Comprehensive Income (Net of tax)		
Opening balance	64.17	25.81
(a) Remeasurement of defined employee benefit plans	16.44	11.40
(b) Net change in fair value of investments other than equity	222.06	71.55
(c) Item reclassified to P & L	(30.48)	(44.59)
	272.19	64.17
	44,990.66	39,696.09

LIABILITIES

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

18 BORROWINGS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
SECURED LOANS - TERM LOAN FROM BANKS		
HDFC Bank Ltd	2,002.40	4,011.98
YES Bank Ltd	2,000.00	2,800.00
UNSECURED LOANS		
Fixed Deposits (includes ₹ 55,50,000 /- from Directors, previous year ₹ 51,71,000/-) (Maturity Period Ranging from 1 to 3 years)	7,059.20	6,584.40
	11,061.60	13,396.38

Notes:-

a HDFC Bank Ltd:-

- i) ₹ 127.40 lacs (PY ₹ 636.98 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit, repayable in sixteen equal quarterly installments. First Installment started from July, 2020.
- ii) ₹ 1875 lacs (PY ₹ 3375 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit, repayable in twenty equal quarterly installments. First Installment started from September, 2020.

The loans are collaterally secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & equitable Mortgage of land and building of Gurplah Unit.

b YES Bank Ltd:-

- i) ₹ 1000.00 lacs (PY ₹ 1000.00 lacs) Secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit. Bullet Repayment in July, 2024.
- ii) For Sukhjit Mega Food park :- ₹ 1000.00 lacs (PY ₹ 1800.00 lacs) Secured against all current & movable fixed assets of Mega Food Park, repayable in twenty equal quarterly installments. First Installment started from July, 2020.



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

19 LEASE LIABILITY

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
Lease Liability	1,297.43	1,135.45
	1,297.43	1,135.45

20 DEFERRED TAX LIABILITY (NET)

(₹ Lacs)

	AS AT 31.03.2023	AS AT 31.03.2022
As per Last Balance Sheet	2,388.24	2,220.30
Add/(Less): tax effect on OCI	70.39	9.74
Add : Provision for the year on account of timing difference arising on depreciation on Fixed Assets as per Income Tax Act & Companies Act and on account of others provisions	451.04	158.20
	2,909.67	2,388.24

Movement of Deferred Tax Liabilities & Assets

(₹ Lacs)

Particulars	Opening Balance	Recognised in PL	Recognised in OCI	Closing Balance
2022-23				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(4,767.12)	(473.09)	-	(5,240.21)
Others	(22.60)	1.64	(70.39)	(91.35)
Deferred Tax Assets				
Provision for doubtful debts	32.03	(2.24)	-	29.79
Provision for Investments	100.67	-	-	100.67
Brought forward Long Term Loss	1,362.26	47.96	-	1,410.22
Deferred Income - Govt. Grant(s)	865.49	6.51	-	872.00
Difference in lease liab & RTUA	41.03	(31.82)	-	9.21
Net Deferred tax liability	(2,388.24)	(451.04)	(70.39)	(2,909.67)
2021-22				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(4,113.67)	(653.45)	-	(4,767.12)
Others	(12.86)	-	(9.74)	(22.60)
Deferred Tax Assets				
Provision for doubtful debts	29.03	3.00	-	32.03
Provision for Investments	100.67	-	-	100.67
Brought forward Long Term Loss	876.42	485.84	-	1,362.26
Deferred Income - Govt. Grant(s)	900.11	(34.62)	-	865.49
Difference in lease liab & RTUA	-	41.03	-	41.03
Net Deferred tax liability	(2,220.30)	(158.20)	(9.74)	(2,388.24)

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Income Tax recognised in the statement of profit & loss

Particulars	(₹ Lacs)	
	For year ended March 31, 2023	For year ended March 31, 2022
Current Tax	1830.00	2500.00
In respect of the current year		
Deferred Tax	451.04	251.56
In respect of the current year		
Tax relating to earlier years	5.17	252.47
Total Income tax expense	2286.21	2909.76

Reconciliation of the Income Tax Expense for the year :-

Particulars	(₹ Lacs)	
	For year ended March 31, 2023	For year ended March 31, 2022
Profit before tax	8622.29	10194.13
Tax at the Indian Tax Rate of 25.168%	2170.06	2565.66
Net effect of expenses that are not deductible in taxable profits	38.09	30.00
Deductions u/s 35	(5.29)	(5.29)
Others	78.18	67.83
	2281.04	2658.20
Effective income tax rate	26.46	26.08
Tax relating to earlier years	5.17	251.56
Total Income tax expense	2286.21	2909.76

21 DEFERRED INCOME

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Deferred Income -Government grant(s)		
Opening Government grant(s)	3,402.79	3,539.94
Less : Credited to P & L	137.15	137.15
Closing Government grant(s)	3,265.64	3,402.79

22 OTHER NON CURRENT LIABILITIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Security Deposits	679.21	706.08
Provision	420.58	408.30
Other Long Term Liabilities	552.95	610.30
	1,652.74	1,724.68



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

CURRENT LIABILITIES

FINANCIAL LIABILITIES

23 BORROWINGS

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
SECURED		
Cash Credit limits for Banks		
From Punjab National Bank	9,990.76	5,345.17
From Yes Bank Ltd	565.55	598.90
Short Term Loan from Citi Bank NA	4,500.00	4,500.00
Current maturities of long Term Borrowings	2,809.59	2,809.59
UNSECURED		
Short Term Loan from YES Bank Ltd	1,000.00	1,000.00
Short Term Loan from HDFC Bank Ltd	2,000.00	-
	20,865.90	14,253.66

Notes:-

a) Punjab National Bank :-

Secured against hypothecation of raw material, stores, semi-finished goods & finished goods and Book Debts and collaterally secured against Eq. mortgage of land & building of Nizamabad unit, lease rights on land of malda unit, building constructed there on and the P & M and other fixed assets of the units..

b) Yes Bank Ltd:-

For Sukhjit Mega Food Park : Secured against hypothecation of raw material, stores, semi-finished goods & finished goods and Book Debts of sukhhjit mega food park.

c) Citi Bank NA:-

Secured against Eq. mortgage on a part of land located at G T Road, Phagwara

d) Current maturities of long Term Borrowings are secured as per note no. 18

24 TRADE PAYABLES

	AS AT 31.03.2023		AS AT 31.03.2022	
a) Sundry creditors for goods supplied :-				
(i) Micro, Small & Medium Enterprises (*)	372.07		404.38	
(ii) Others	3,078.50	3,450.57	2,559.76	2,964.14
b) Sundry creditors for Expenses		1,675.30		1,711.42
c) Other Creditors (**)		659.53		727.88
		5,785.40		5,403.44

(*) 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 ₹ 233.81 lacs (P.Y. ₹ 396.39 lacs) as advance from Sundry Customers for supply of Goods

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

Trade Payables (for goods) Aging Schedule (Consolidated)

Particulars	Outstanding for following periods from due date of payment/date of transaction				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
FY 2022-23					
i) MSME	372.07	-	-	-	372.07
ii) Others	2,890.07	27.87	20.01	130.01	3,067.96
iii) Disputed dues -MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	10.54	10.54
	3,262.14	27.87	20.01	140.55	3,450.57
FY 2021-22					
i) MSME	404.38	-	-	-	404.38
ii) Others	2,256.79	81.08	207.02	-	2,544.89
iii) Disputed dues -MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	14.87	14.87
	2,661.17	81.08	207.02	14.87	2,964.14

25 INCOME TAX LIABILITY (NET)

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Provision For Tax	-	4,954.96
Less: Income Tax in advance	-	4,788.52
	-	166.44

26 OTHER CURRENT LIABILITIES

	(₹ Lacs)	
	AS AT 31.03.2023	AS AT 31.03.2022
Unclaimed Dividends	96.48	104.04
Taxes payable	1,381.16	1,274.27
Interest accrued but not due on Fixed Deposits	455.98	368.39
	1,933.62	1,746.70

27 REVENUE FROM OPERATIONS

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
SALES (*)		
Starches	60,096.88	43,242.22
Starch Derivatives	45,549.58	39,119.53
By-products & Misc Sales	39,010.77	33,535.63
	1,44,657.23	1,15,897.38

(*) Sales are net of discounts / rebates / shortages



Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

28 OTHER INCOME

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Interest Received	73.01	69.46
Profit/(Loss) on sale of Assets/Units	97.87	54.43
Other Income (*)	133.58	184.24
	304.46	308.13

(*) Includes Rent Received of ₹ 5.66 lacs (P.Y. ₹ 5.69 lacs)

29 COST OF MATERIALS CONSUMED

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Opening Stock of Basic Raw Material	4,994.90	3,990.46
Purchase of Basic Raw Material	1,02,048.14	72,281.97
	1,07,043.04	76,272.43
Less Closing Stock of Basic Raw Material	9,192.11	4,994.90
Effective consumption of Basic Raw Material	97,850.93	71,277.53
Packing Material Consumed	3,566.60	3,145.57
	1,01,417.53	74,423.10

30 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Opening Stock of Finished Goods	2,351.39	3,034.96
Opening Stock of Work In Progress	1,306.54	1,076.50
	3,657.93	4,111.46
Closing Stock of Finished Goods	4,764.29	2,351.39
Closing Stock of Work In Progress	1,377.45	1,306.54
	6,141.74	3,657.93
Change in Inventories	(2,483.81)	453.53

31 EMPLOYEE BENEFIT EXPENSES

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Wages & Salaries	5,507.62	4,920.62
Cont. to PF, ESI, Superannuation & Other Funds	347.05	315.79
Workmen & Staff Welfare	206.19	191.33
	6,060.86	5,427.74

Forming Part of the Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

32 FINANCIAL COSTS

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
Interest Expense	2,655.96	2,224.91
Interest on Lease Liability	127.50	111.49
Other Borrowings Costs / Bank Charges	44.17	47.53
	2,827.63	2,383.93

Borrowing cost capitalised during the year ₹ 22.05 lacs (PY ₹ 160.59 lacs)

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.50 % PA (PY 6.59 % PA)

33 OTHER EXPENSES

	(₹ Lacs)	
	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2022
MANUFACTURING EXPENSES		
Power and Fuel & Others	15,367.12	11,200.80
Stores & Other Consumables	3,263.64	2,972.86
Machinery Repair	873.54	593.33
Building Repair	299.33	194.41
	19,803.63	14,961.40
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
Printing & Stationery	21.52	17.09
Professional/ Legal Expenses	84.37	77.30
Directors' Fee	4.33	5.19
Travelling Expenses	234.66	180.75
Auditors' Remuneration	8.03	7.88
Rent Paid	31.53	35.42
Elec. & Water Charges	24.16	34.64
Entertainment	4.64	7.83
Postage & Telephones	20.03	21.47
Advertisement	10.13	11.98
Subscription	25.01	27.58
General Charges	15.76	14.31
Insurance Expenses	163.91	146.69
Other Repairs & Maintenance	147.01	113.03
Commission & Brokerage	948.05	834.06
Provision for Bad debts/written off	11.73	31.32
Other Govt. Taxes, Levies & Fees	50.01	38.00
Directors' Commission	96.16	108.67
Charity & Donation	132.19	101.20
Carriage & Forwarding charges	3,116.81	3,043.42
	5,150.04	4,857.84
	24,953.67	19,819.24



Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

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

2. CONSOLIDATED FINANCIAL RATIOS :-

RATIOS	Numerator	Denominator	AS AT 31.03.2023	AS AT 31.03.2022	Variance (in %)
1 Current Ratio	Current Assets	Current Liabilities	1.31	1.24	5.64
2 Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.27	0.37	(27.03)
3 Debt Service Coverage Ratio	Profit before Tax + Dereciation + Interest	Current Maturity of Long Term Borrowings + Interest	2.66	3.10	(14.19)
4 Return on Equity Ratio	Net Profit after Tax	Avg. Equity	14.43%	19.55%	(26.19)
5 Inventory Turnover Ratio	Net Sales	Avg. Inventory of Finished goods	40.66	43.03	(5.51)
6 Trade Receivable Turnover Ratio	Net Sales	Avg. Receivables	19.54	17.07	14.47
7 Trade Payable Turnover Ratio	Net Purchases	Avg. Trade Payables	33.95	28.25	20.17
8 Net Capital Turnover Ratio	Net Sales	Avg. working Capital	20.42	25.29	(19.26)
9 Net Profit Ratio	Net Profit	Net Sales	4.38%	6.29%	(30.36)
10 Return on Capital employed	Profit before Interest & Tax	Avg.Cap. Employed (Equity + Non Current Liab.)	17.61%	19.99%	(11.91)
11 Return on Investment					
Unquoted (Units of Mutual Funds)	Income from Investment	Time weighted Avg Investments	4.93	4.01	22.94
(*) Unquoted (Fixed Interest bearing Debentures)	Income from Investment	Time weighted Avg Investments	-	11.40	-

Notes on Variation :

Sr.2	Due to increase in Net Worth & decrease in Long Term Debt.
Sr.3&4	Due to lower Profits.
Sr. 5	Due to higher Inventory of Finished Goods.
Sr. 6	Due to efficient realisations.
Sr.7	Due to higher Purchases in the last months of the year.
Sr.8	Due to higher working capital.
Sr.9	Due to low Margins on Sales.
Sr.10	Due to lower Profits.
Sr.11(*)	Due to redemption of debentures on maturity

Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

3. Fair value measurement

I) Financial Instruments by Category

(₹ Lacs)

PARTICULARS	As on 31.03.2023		As on 31.03.2022	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Assets				
Investments				
Short Term Mutual Funds	7751.62		6590.56	
Trade receivables		8070.61		6738.61
Other Financial assets		831.50		1238.98
Cash and Cash equivalents		158.69		142.37
Fixed Deposits		827.50		801.05
Other Bank balances		274.72		269.31
Other Current assets		1513.27		242.29
	7751.62	10163.02	6590.56	9190.32
Financial Liabilities				
Trade Payables		5785.40		5403.43
Other financial liabilities		2709.80		2694.69
		8495.20		8098.12

II) Financial assets measured at fair value - (recurring fair value measurements) :-

(₹ Lacs)

Particulars	Level 1	Level 2	Level 3	TOTAL
FY 2022-23				
Investments				
Short Term Mutual Funds	7751.62		-	7751.62
Investment Property (land)		1830.06	-	1830.06
	7751.62	1830.06	-	9581.68
FY 2021-22				
Investments				
Short Term Mutual Funds	6590.56		-	6590.56
Investment Property (land)		1830.06	-	1830.06
	6590.56	1830.06	-	8420.62

III) Financial assets measured at amortised cost :-

(₹ Lacs)

PARTICULARS	31.03.2023		31.03.2022	
	Carrying Cost	Fair value	Carrying Cost	Fair value
Investment Property (land)	1643.34	1830.06	1643.34	1830.06



Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

4. Contingent Liabilities not provided for include :

(i) LCs / Bank Guarantees / Corporate Guarantee / Bond :

- (a) The Company has issued LCs / Bank Guarantees for ₹ 10.18 Crores (Previous Year ₹ 10.18 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit.
- (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores (Previous Year ₹ 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. The outstanding balance of the term loan appeared at ₹ 18 Cr. as on 31.03.2023 (₹ 26 Cr. as on 31.03.2022). There is no any other Guarantee / third party Guarantee / security given / provided by the Company.
- (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 9 crores) to Assistant Commissioner of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme. The Company is fulfilling the export obligation under EPCG scheme of the Central Government against import of capital goods at concessional rates. The pending Export obligation appeared at ₹ 61.76 Crores as on 31.03.2023 (Previous year ₹ 65.18 Crores) to be fulfilled in the period of next 6 years. The exports of the company appeared at ₹ 12.59 Crores during the current year (PY ₹ 12.31 crores).

(ii) Disputed Liabilities not acknowledged as debt / not provided for as an expense in the accounts :-

	(₹ Lacs)	
	Current Year	Previous Year
Central Excise Duty (*)	28.93	28.93
GST(**)	2.19	2.19
A.P. Northern Power Distribution Company Ltd (***)	2.81	2.81
Income Tax(****)	1.08	0.52

- (*) ₹ 28.93 Crores is the 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 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. The product has been repeatedly got tested by the Department from the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
- (**) ₹ 2.19 Crores include demand issued by Assistant commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of our products (Cattle Feed) to be taxable under GST Act. The matter for ₹ 0.97 crores is pending for adjudication with the Assistant Commissioner CGST Nizamabad and for ₹ 1.22 crores is under appeal with Commissioner (Appeals) at Chandigarh. However, it has been proved to the satisfaction of the Deptt. that the product has been sold and used as cattle feed being fully exempt under the relevant chapter of the GST. So, there does not appear any liability to crystallize on this front.
- (***) ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. Our petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly.
- (****) ₹ 1.08 crores include ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing our claim for an item against the law settled by the Hon'ble Supreme Court. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals). The balance of ₹ 0.58 crores relates to the demand raised by the Assessing officer by wrongly disallowing the expense duly allowable u/s 43B of the Income Tax Act, 1961, without appreciating the factual position. The company has filed a rectification application, which is pending with the Income Tax department.

Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

(iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 10.25 Crores (Previous year ₹ 7.50 Crores)

5. Earnings per share :

	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	6,336.31	7,284.51
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,56,22,000	1,56,22,000
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	40.56	46.63
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	40.56	46.63

6. Managerial Remuneration paid/payable to the:

	Current Year	Previous Year
		(₹ Lacs)
Executive Directors		
(i) Salaries	123.29	125.59
(ii) Commission	45.70	53.20
(iii) Contribution to retirement benefit funds	8.19	9.03
(iv) Perquisites	15.23	11.53

7. DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2023

(Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

RELATED PARTIES

A Trusts :

Maa Ambay Girls School
Arya Infotech Society
S D Model Sr Sec School
SD KVM Sr Sec School
Blood Donors Council (Regd.)
Lala Diwani Chand Ram Narain Trust
Arya Model Sr. Sec. School
Kamla Nehru College for Women

B Directors & KMPs :

Smt. Manjoo Sardana, Non Executive Chairperson
Sh. Kuldip Krishan Sardana, Managing Director
Sh. Madan Gopal Sharma, Executive Director (Fin) & CFO
Sh. Tarsem Singh Lally, Non Executive - Independent Director
Sh. Ranbir Singh Seehra, Non Executive - Independent Director
Sh. Saravjit Singh Hothi, Non Executive - Independent Director
Sh. Vikas Uppal, Non Executive- Independent Director
Smt. Shalini Chablani, Non Executive Director
Sh. Aman Setia, Vice President (Finance) & Company Secretary



Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

C Directors & KMPs of Subsidiary Companies:

Sh. Dhiraj Sardana, Non Executive Director
 Sh. Bhavdeep Sardana, Non Executive Director
 Sh. Ajit Singh, Non Executive Director
 Sh. V.K. Suri, Non Executive Director
 Sh. S.D. Patel, Non Executive Director
 Sh. Raman Narang, Non Executive Director
 Sh. Saurabh Sethi, DGM (Finance) & CFO
 Ms. Pallavi Dora, Company Secretary

D Relatives of Directors & KMPs of Holding & Subsidiary Companies :

Sh. Pankaj Sardana	Smt. Taruna Wadhawan
Ms. Rohini Sardana	Sh. Sahil Wadhawan
I K Sardana (HUF)	Smt. Poonam Narula
Smt. Suman Sardana	Sh. Pramod Kumar Narula
Sh. Puneet Sardana	Sh. Divyang Patel
Smt. Dipti Sardana	Sh. Meeta Diyang Patel
Smt. Sona Sardana	Divyag Shankerlal Patel (HUF)
K K Sardana (HUF)	Sh. Nilesh Patel
Smt. Uma Sharma	Nilesh Shankerlal Patel (HUF)
Sh. B D Vashisth	Smt. Varsha Nilesh Patel
Sh. Sandeep Sharma	Sh. Suresh Kumar Sethi
Smt. Shakuntla Sankhyan	Master Aarav Sethi
Sh. G D Setia	Master Aadish Sethi
Smt. Pooja Setia	Ms. Saloni Sethi
Aman Setia (HUF)	Smt. Shalvi Sethi
Smt. Parveen Setia	Smt. Anju Sethi
Ms. Shreya Setia	Sh. Rahul Dora
Sh. Vikram Vijay Suri	Sh. Ramesh Kumar
Smt. Shaliza Suri	Smt. Kanchan Khurana

Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

E Transactions entered during the year ended 31st March, 2023:

(₹ Lacs)

Particulars	Trusts	Execu- tive Di- rectors	Non- Exec- utive Di- rectors	Key Man- agement Personnel excluding Directors	Directors of Subsidi- ary Co.	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Rent Paid	--	1.20 (1.20)	--	--	12.00 (12.00)	--	12.00 (12.00)
Rent Received	--	5.58 (5.58)	--	--	--	--	--
CSR Expenditure	56.33 (18.00)	--	--	--	--	--	--
Remuneration (incl. Retirement Benefits)	--	146.71 (146.15)	--	37.55 (35.14)	326.42 (267.01)	18.17 (16.87)	221.85 (153.10)
Commission	--	45.70 (53.20)	50.46 (55.47)	--	--	--	--
Sitting Fees	--	--	3.78 (4.59)	--	0.59 (0.64)	--	--
Dividend	--	119.02 (175.76)	143.71 (208.67)	--	154.25 (228.46)	--	239.68 (359.74)
Fixed Deposit Received	--	25.00 (48.78)	0.10 (0.52)	--	63.63 (242.27)	0.50 (1.90)	209.14 (327.60)
Fixed Deposit Repaid	--	15.00 (198.79)	6.31 (312.10)	--	71.21 (289.97)	2.00 (Nil)	138.50 (541.85)
Interest on Fixed Deposits	--	2.32 (7.89)	0.01 (19.33)	--	14.94 (33.33)	0.18 (Nil)	25.68 (78.98)

F Balance Outstanding - Payable on 31st March, 2023 :

(₹ Lacs)

Particulars	Executive Directors	Non- Execu- tive Di- rectors	Key Manage- ment Per- sonnel excluding Directors	Directors of Subsidi- ary Co.	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Amount Receivable	--	--	--	--	--	--
Remuneration	8.32 (8.23)	--	3.57 (3.35)	14.41 (11.75)	2.13 (2.04)	6.13 (5.02)
Commission	45.70 (53.20)	50.46 (55.47)	--	--	--	--
Fixed Deposit Payable	55.50 (45.50)	Nil (6.21)	--	324.99 (331.57)	2.40 (3.90)	778.21 (705.57)
Interest on Fixed Deposits Payable	1.93 (1.81)	0.01 (0.54)	--	11.46 (11.29)	0.17 (0.19)	53.57 (44.46)

* The transactions with the Holding Company



Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

8. Corporate Social Responsibility (CSR):

The details of the CSR activities of the Company during the F.Y. 2022-23 :-

(A)	Amount required to be spent by the Company during the year 2022-23	₹ 107.11 lacs														
(B)	Amount of expenditure incurred :	₹ 108.86 lacs														
(C)	Shortfall at the end of the year:	NIL														
(D)	Total previous years shortfall :	NIL														
(E)	Reason for shortfall :	N.A.														
(F)	Nature of CS activities :	<ul style="list-style-type: none"> • Preventive Healthcare & Environment Sustainability • Promoting Education including girl education (rural areas) & employment enhancing vocation skills • Livelihood enhancement projects • Contribution to the Prime Minister's National Relief Fund 														
(G)	Details of related party transactions :	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Trusts</th> <th style="text-align: right;">(₹ lacs)</th> </tr> </thead> <tbody> <tr> <td>• Maa Ambay Girls School</td> <td style="text-align: right;">2.00</td> </tr> <tr> <td>• SD KMV Sr Sec School</td> <td style="text-align: right;">7.00</td> </tr> <tr> <td>• Arya Infotech Society</td> <td style="text-align: right;">4.00</td> </tr> <tr> <td>• S D Model Sr Sec School</td> <td style="text-align: right;">36.02</td> </tr> <tr> <td>• Blood Donors Council (Regd.)</td> <td style="text-align: right;">7.31</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">56.33</td> </tr> </tbody> </table>	Trusts	(₹ lacs)	• Maa Ambay Girls School	2.00	• SD KMV Sr Sec School	7.00	• Arya Infotech Society	4.00	• S D Model Sr Sec School	36.02	• Blood Donors Council (Regd.)	7.31	Total	56.33
Trusts	(₹ lacs)															
• Maa Ambay Girls School	2.00															
• SD KMV Sr Sec School	7.00															
• Arya Infotech Society	4.00															
• S D Model Sr Sec School	36.02															
• Blood Donors Council (Regd.)	7.31															
Total	56.33															
(H)	Provision for liability incurred by entering into a contractual obligation	N.A.														

9. Form AOC-1: Statement containing salient features of the Financial Statements of the subsidiary companies for FY 2022-23 (Pursuant to sec 129(3) of the Companies Act, 2013 read with rules 5 of the Companies (Accounts) Rules, 2014) :-

Particulars	(₹ Lacs)		
	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	3,391.03	440.14	23.06
Reserves & Surplus / (Accumulated Losses)	(1,313.38)	(585.32)	(0.77)
Total Assets	14,296.02	68.15	153.03
Total Liabilities	14,296.02	68.15	153.03
Investments	--	--	--
Revenue from Operations	6,548.44	--	115.72
Profit / (Loss) before taxation	(638.42)	(21.26)	8.35
Provision for taxation - Deffered tax	(24.04)	--	(2.17)
Profit / (Loss) after taxation	(662.46)	(21.26)	6.18
Proposed Dividend (if any)	Nil	Nil	Nil
%age of Shareholding	100%	99.97%	96.17%

Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

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

PARTICULARS	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	104.08	48450.64	110.69	7,013.63
Subsidiaries (Indian)				
-- The Vijoy Steel & General Mills Co. Ltd.	(0.00)	(0.77)	0.10	6.18
-- Scott Industries Ltd.	(1.26)	(585.32)	(0.34)	(21.26)
-- Sukhjit Mega Food Park & Infra Ltd.	(2.82)	(1313.38)	(10.46)	(662.46)
Minority Interest in all subsidiaries/ Associates		1.07		0.23

11. 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.

Other Notes on Consolidated Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

For the year ended March 31, 2023

(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
	(₹ Lacs)											
Segment Revenue												
External Revenue	1,43,631.73	1,15,365.37	-	-	1,234.10	742.27	95.86	76.58	-	-	1,44,961.69	1,16,184.22
Internal Revenue	65.30	474.68	-	-	5,314.34	1,978.21	19.86	15.41	(5,399.50)	(2,468.30)		
Total Revenue	1,43,697.03	1,15,840.05	-	-	6,548.44	2,720.48	115.72	91.99	(5,399.50)	(2,468.30)	1,44,961.69	1,16,184.22
Segment Result												
Profit Before Taxation	9,273.63	10,741.16	(21.26)	(21.11)	(638.42)	(529.61)	8.35	3.68	-	-	8,622.29	10,194.12
Provision for Taxation	(2,260.00)	(3,012.47)	-	-	(24.04)	102.75	(2.17)	(0.04)	-	-	(2,286.21)	(2,909.76)
Profit after Taxation	7,013.63	7,728.69	(21.26)	(21.11)	(662.46)	(426.86)	6.18	3.64	-	-	6,336.11	7,284.36
Segment Assets												
Segment assets	98,482.60	78,269.17	68.15	88.97	14,296.02	15,651.39	153.03	101.94	(17,673.87)	(9,234.57)	95,325.93	84,876.90
Segment Liabilities	39,002.28	33,261.12	213.33	212.89	1,2218.37	12,911.29	129.20	84.29	(5,700.85)	(5,240.06)	45,862.33	41,229.53
Capital Expenditure	3,573.01	2,678.81	-	-	205.69	384.72	3.14	5.92	-	-	3,781.84	3,069.45



PUNJAB

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