



Ref: SSC/VPF/BSE/2021-22/ 1376

Dt: 09/07/2021

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

**BSE SCRIP CODE: 524542**

**Reg: Notice of the 77<sup>th</sup> Annual General Meeting (AGM) and Annual Report 2020-21**

Dear Sir,

In compliance with Regulations 30, 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Notice convening the 77<sup>th</sup> AGM of the shareholders of the Company and the Annual Report for the financial year ended 31<sup>st</sup> March, 2021. 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 and the Securities and Exchange Board of India amid COVID-19 Pandemic. 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 3, 2021 at 9.00 A.M. and will end on Thursday, August 5, 2021 at 5.00 P.M. The cut-off date for the purpose of determining the shareholders for E-voting is July 29, 2021.

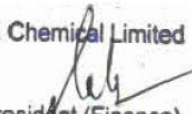
As already intimated, the Register of Members and the Share Transfer Books of the Company will remain closed from 30-07-2021 to 06-08-2021 (both days inclusive) for the purpose of holding the Annual General Meeting of the Company/ payment of Dividend.

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 & Chemical Limited

  
Vice President (Finance)  
& Company Secretary  
Memb. No. 14907

Encl: as above

*77th*  
*Annual Report*  
*2020-21*



THE SUKHJIT  
STARCH AND CHEMICALS  
LIMITED

EVOLVING WITH NATURE



# THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

## BOARD OF DIRECTORS

Smt. Manjoo Sardana - Chairperson  
Sh. K.K. Sardana - Managing Director  
Sh. Tarsem Singh Lally  
S. Ranbir Singh Seehra  
Sh. Saravjit Singh Hothi  
Sh. Vikas Uppal  
Smt. Shalini Umesh Chablani  
Sh. M.G. Sharma - Executive Director (Fin) & CFO

## BANKERS

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

## AUDITORS

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

## REGISTERED OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

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

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## ANNUAL REPORT & ACCOUNTS 2020-2021

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## **NOTICE**

NOTICE is hereby given that the 77th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Friday, the 6th day of August, 2021 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 31.03.2021.
2. To declare dividend on the Equity Shares for the year ended 31.03.2021.
3. 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**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, other applicable provisions (if any) of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby granted to the re-appointment of Shri M.G. Sharma (DIN: 00398326) as the Executive Director (Fin) & C.F.O. of the Company with effect from 1st August, 2021 to 31st May, 2023, 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 consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the consent of the members be & is hereby granted to the appointment of Sh. Saravjit Singh Hothi (DIN: 09182046), as a Non Executive Independent Director of the Company for a period of three years to hold office w.e.f. 31st May, 2021 upto 30th May, 2024".



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

"RESOLVED THAT pursuant to Provisions of section 12 and other applicable provisions (if any) of the Companies Act, 2013 and Companies (Incorporation) Rules, 2014, including any amendments or re-enactment thereof from time to time, the consent of the members be and is hereby accorded to shift the Registered office of the company from its present location at Sarai Road, Phagwara, Distt. Kapurthala - 144401 to Rehana Jattan, Teh. Phagwara, Distt. Kapurthala - 144407 i.e. outside the local limits of the city and within the same Tehsil/ Distt. of the same State of Punjab under the Jurisdiction of the same Registrar of Companies".

RESOLVED FURTHER THAT the Board of Directors of the Company be & is hereby authorized to do all necessary acts to give effect to this resolution, as & when the Board deems fit to shift the registered office to Rehana Jattan. The Board may further authorized any Director or Executive of the Company to sign/ submit/withdraw the requisite form(s) required to be E-filed with the Registrar of Companies and/or to intimate any other Regulatory Authority(s) as may be required and / or to do any other act as may be necessary or incidental thereto in the above regard.

7. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2022, by passing with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration fixed by the Board of Directors payable to the Cost Auditors for conducting the audit of cost records of the Company for the financial year ending March 31, 2022, be and is hereby ratified".

Place : Phagwara.

Dated : 31st May, 2021

By Order of the Board

Sd/-

**AMAN SETIA**

Vice President (Finance)

& Company Secretary

## **EXPLANATORY STATEMENT(S) OF ITEM NO. 4 TO 7 (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)**

### **ITEM NO. 4**

Shri M. G. Sharma, who is B.Sc , D.B.I.M, F.C.A, A.C.S and has been working with the company since 1981 and as Group Senior Vice President & C.F.O. when co-opted as member of the board on 1st August, 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. The Board, in their meeting held on 31.05.2021 (subject to the approval of the shareholders in the ensuing General Meeting) have re-appointed Shri M.G. Sharma as Executive Director (Fin) & C.F.O. of the Company with effect from 1st August, 2021 to 31st May, 2023 on the following terms & conditions :

1. The Executive Director (Fin) & C.F.O. shall be vested with the powers of governance & control for the general conduct of business and affairs of the company efficiently and profitably under the superintendence / overall directions of the Board of Directors / the Managing Director.
2. The re-appointment is made with effect from 1st August, 2021 to 31st May, 2023.



3. REMUNERATION :

- (a) Salary & Allowances : 3.66 Lacs p.m. (Basic Salary ₹ 1.75 lacs & Allowances ₹ 1.91 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-imbusement for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a period of three years as per the rules of the Company.
- (iii) Leave Travel Concession to the appointee and his family once in a year as per rules of the Company.
- (iv) Club Fee subject to a maximum of two clubs and not including membership fee or life membership fee.
- (v) Personal Accident Insurance & Mediclaim Insurance as per rules of the company.

**CATEGORY 'B'**

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

**CATEGORY 'C'**

Provision of chauffeur driven car for use on company's business will not be considered as a perquisite. However, personal long distance calls or private use of car shall be billed to the appointee as per rules of the company. The above limits shall be subject to the Schedule V of the Companies Act, 2013 and any amendment thereto as may be made by the Central Government from time to time and agreed between the Board of Directors and Shri M.G. Sharma. He shall be entitled to actual entertainment and travelling expenses incurred during the course of business as per rules of the Company. Shri M.G. Sharma will not receive any sitting fee for attending the meeting of the Board of Directors of the Company and shall not, so long as he functions as Executive Director of the Company, become interested or concerned directly or through his wife or children in any selling agency of the company or any of its subsidiary companies, without prior approval of the shareholders (if any required).

He has been associated with the company for about 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, recommends his re-appointment as Executive Director (Fin) & C.F.O. with effect from 1st August, 2021 to 31st May, 2023.

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

**ITEM NO. 5**

Sh. Saravjit Singh Hothi, a retired Air Vice Marshal from Indian Air Force, has been appointed by the Board in the meeting held on 31.05.2021 as an Additional Non Executive Independent Director to hold office till the conclusion of this Annual General Meeting. Sh. Saravjit Singh Hothi graduated from National Defence Academy, Pune and commissioned as fighter pilot from Air Force Academy, Hyderabad in 1969. Besides actively commanding flight missions during Siachen operations & commanding the Air base during Kargil operations, he had successfully led & coordinated Indo US Cooperation mission at US Defence HQS at Pentagon, US Central command HQS at Tampa Florida and US Pacific command HQS at Hawaii. He had also been on deputation with Egyptian Air Force for training Egyptian Pilots. He has an excellent career during his coveted service, spanning about 30 years, with Indian Air Force with excellent administrative & managerial skills in commanding/ managing men & materials. He has been decorated twice by The President of India with prestigious medals like Vayu Sena Medal and Vishisht Sewa Medal.



Presently, he is proprietor of MSP, Jalandhar and associated with "The Knowledge Academy" (a UK based organisation) which provides training to the Corporate Professionals. He has also done a course on 'Independent Directors Studies for Senior Officers of Armed Forces'.

In terms of Section 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended, he is proposed to be appointed as an Independent Director of the company for a period of three years and shall not be liable to retire by rotation.

Sh. Saravjit Singh Hothi has confirmed that he is not disqualified in terms of Section 164 of the Act read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for being appointed as an Independent Director of the Company.

In opinion of the Board, Sh. Saravjit Singh Hothi, who is proposed to be appointed as an Independent Director, fulfills 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 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.

The Board considers that his association would further strengthen the Board of Directors of the Company. Accordingly, the Board recommends the appointment of Sh. Saravjit Singh Hothi for three years thereby proposing the resolution set out in item no. 5.

None of the Directors except Sh. Saravjit Singh Hothi himself, is concerned or interested in this resolution.

#### **ITEM NO. 6**

The registered office of the company is presently situated at Sarai Road, Phagwara, Distt. Kapurthala - 144401. The Company has operationalised its new unit at Rehana Jattan, Teh. Phagwara, Distt. Kapurthala - 144407. The existing unit of the company located at Sarai Road, Phagwara will stop its operations shortly as it is the oldest and the smallest unit amongst all four units of the company working since 1943. The Company has planned to shift its Head Office to the new place. So, the registered office is also proposed to be shifted to Rehana Jattan during the running year. The new unit at Rehana Jattan, located outside the local limits of the city, is very near to the Phagwara unit, in the same Tehsil/Distt. of the state of Punjab under the Jurisdiction of the same Registrar of Companies .

In accordance with the provision of section 12 of the Companies Act, 2013 read with rule 27 of Chapter II of the Companies (Incorporation) Rules, 2014, the Board requires approval of the members by way of special resolution/ authorization to the Board of Directors for shifting of the registered office of the Company outside the local limits of any city or town within the same state.

Therefore, the Board recommends the proposed special resolution to the members of the Company for their consideration and approval.

None of the Directors and the Key Managerial Personnel(s) of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution of item No. 6.

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

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, 2022.

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 ₹ 60,000/- plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the financial year ending March 31, 2022 by passing an Ordinary Resolution as set out at Item No. 7 of the Notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

**NOTES :**

1. **The AGM will be held at the said venue by strictly adhering to the Social Distancing Norms and Other Safety Protocols including face masks, hand sanitization etc. as per the latest guidelines / advisories / SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic.** Entry to the venue will be made on 'first come first basis' according to the maximum permissible limit for a gathering at a place as per the lock down restrictions prevailing at that time.

2. **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.**

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 2020-21 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](http://www.sukhjitgroup.com) and on the website of the Bombay Stock Exchange (BSE) [www.bseindia.com](http://www.bseindia.com).**

4. Members may note that the provisions of TDS have been made applicable to the payment/distribution of Dividend w.e.f. 1st April, 2020. The Company shall, therefore, be required to deduct tax at source (TDS) at the time of making the payment of final dividend.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2021-22 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil deduction of Tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

The aforementioned documents should reach us on or before 23rd July, 2021 and may be furnished/submitted at [admin@skylinerta.com](mailto:admin@skylinerta.com) and/or [vipan@sukhjitgroup.com](mailto:vipan@sukhjitgroup.com) by the shareholders. Any communication received after 23rd July, 2021 in this regard may not be entertained.

5. 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 Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed herewith marked as "Annexure 1". The Board of Directors has recommended all the proposed appointments/re-appointments of the Directors.



6. 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.
7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 30.07.2021 to 06.08.2021 (both days inclusive).
8. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
9. The payment of dividend (as recommended by the Board) will be made on and from 11.08.2021, after its approval in the AGM :
  - (a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) on close of business hours on 29th July, 2021.
  - (b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Registrar cum Share Transfer Agents of the Company / the Company on or before close of business hours on 29th July, 2021.
10. 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.
11. Members, who have not en-cashed their dividend warrants for Interim Dividend 2015-16 & 2018-19 and Final Dividend for the financial year 2013-14, 2014-15, 2016-17, 2017-18 & 2018-19 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid / unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below :

<b>Dividend for Financial Year</b>	<b>Date of Declaration</b>	<b>Due date for Deposit</b>
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026
2019-2020	13.08.2020	12.08.2027

12. 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 provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
13. 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.



14. (a) In accordance with the provisions of section 108 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to transact through electronic voting system for which the Company is providing the facility for voting by electronic means (e-voting) to all its members. The Company has engaged the services of National Securities Depository Ltd. (NSDL) to provide e-voting facilities and enable the members to cast their vote in a secured manner. It may be noted that this e-voting facility is optional. This facility will be available at the link [www.evoting.nsdl.com](http://www.evoting.nsdl.com) during the following voting period :-

Commencement of e-voting : From 9.00 A.M. on 3rd August, 2021

End of e-voting : Upto 5.00 P.M. on 5th August, 2021

E-voting shall not be allowed beyond 5.00 P.M. on 5th August, 2021. During E-voting period, the shareholders of the company, holding shares either in physical form or demat form, as on the closing of business hours of the cut off date, may cast their vote electronically. The date of determination of shareholders for the purpose of communicating the notice is 9th July, 2021. The cutoff date of e-voting is 29th July, 2021.

- (b) **'Voting by electronic means'** or 'electronic voting system' means a **'secured system'** based process of display of electronic ballots, recording of votes of the members and the number of votes polled in favour or against, such that the entire voting exercised by way of electronic means gets registered and counted in an electronic registry in a centralized server with adequate **'cyber security'**.

It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

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

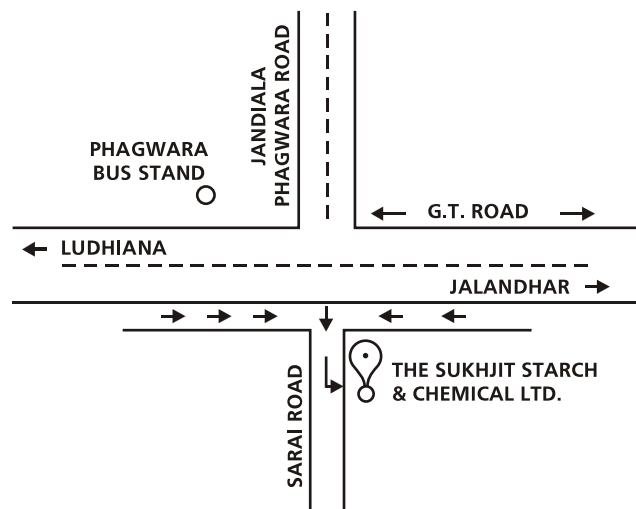
The detailed instructions for E-voting have been given separately in the attached format for E-voting. In case of any queries, you may refer the frequently asked questions (FAQs) - 'Shareholders and e-voting user manual' - available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- (c) Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail. **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>

- (d) The Company has appointed M/s P.S. Rally & Associates, Practicing Company Secretary, Membership No.6861, as 'Scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.

**Route Map to the venue of the AGM**





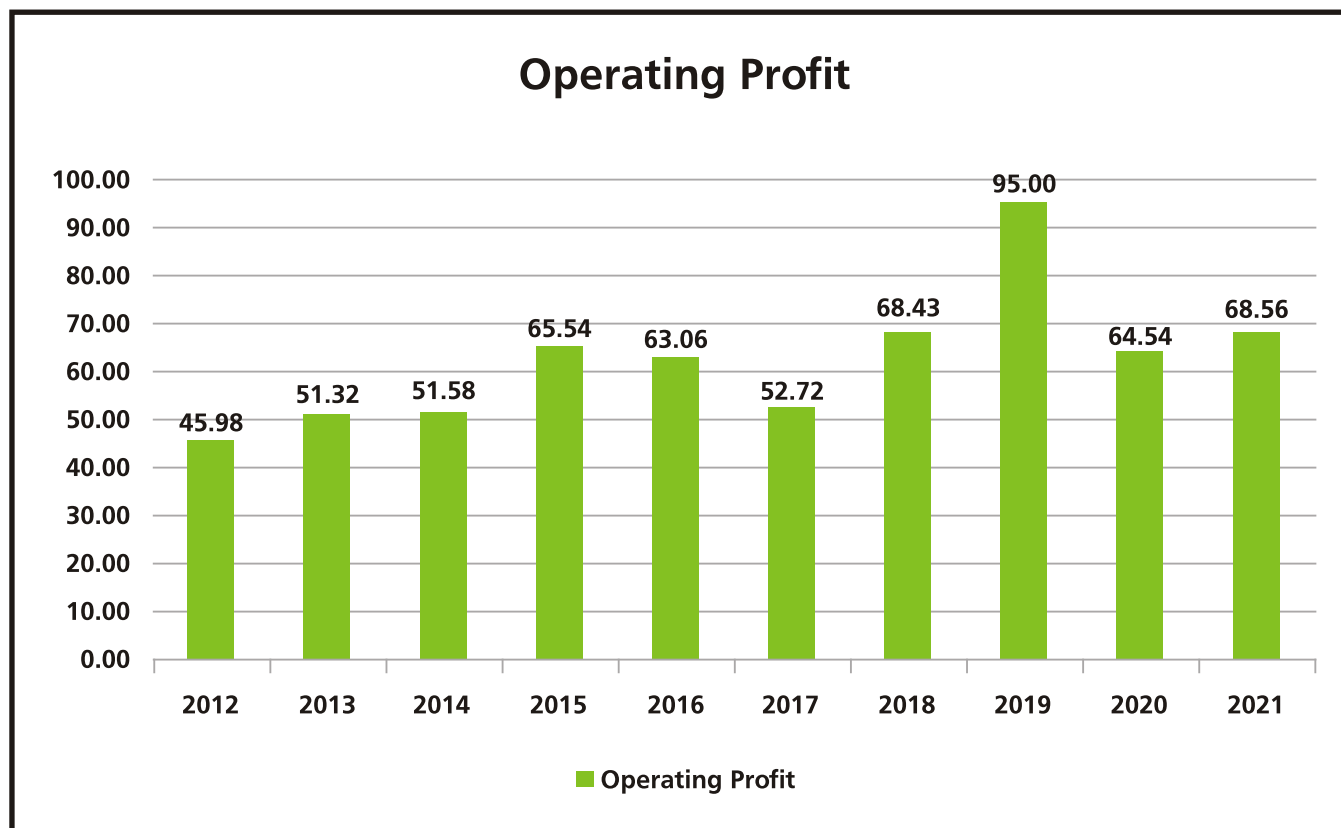
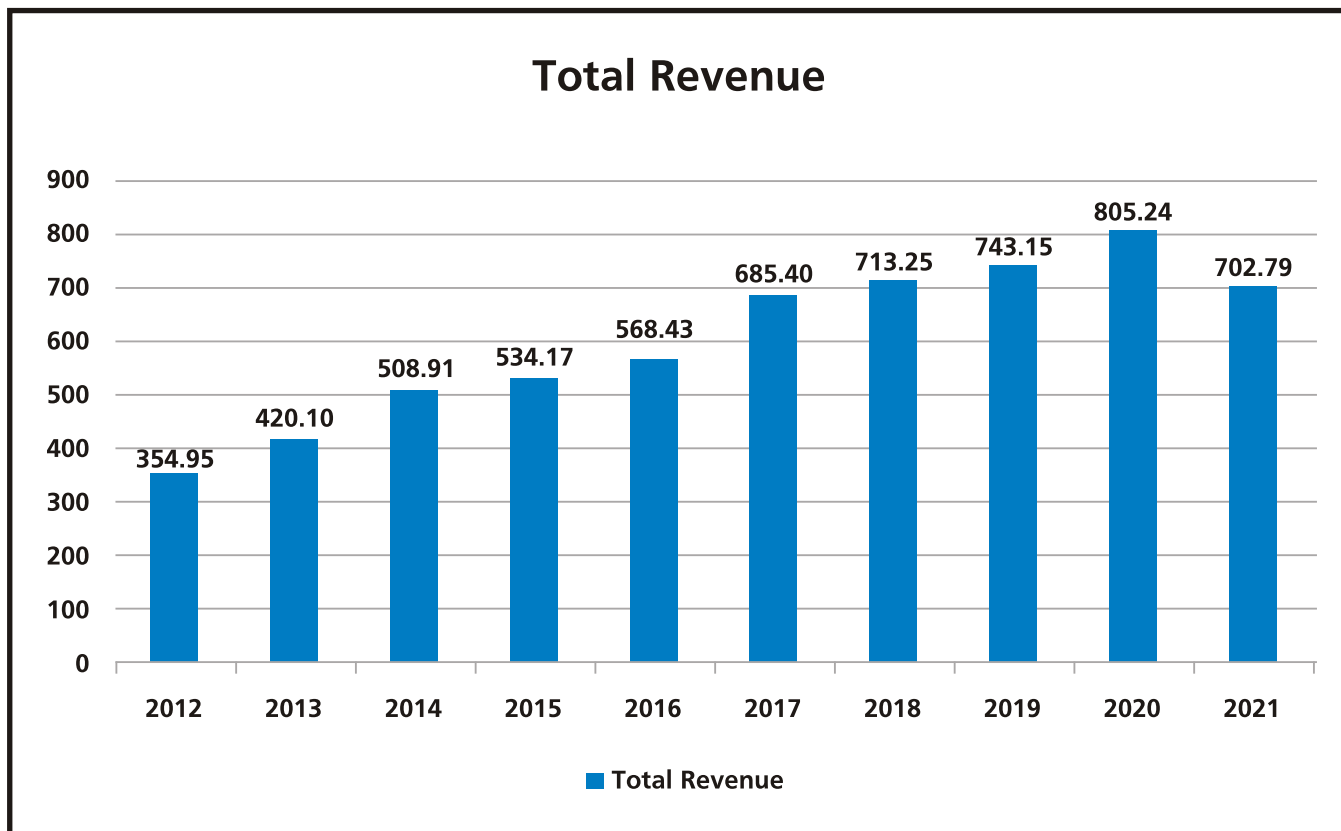
**DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

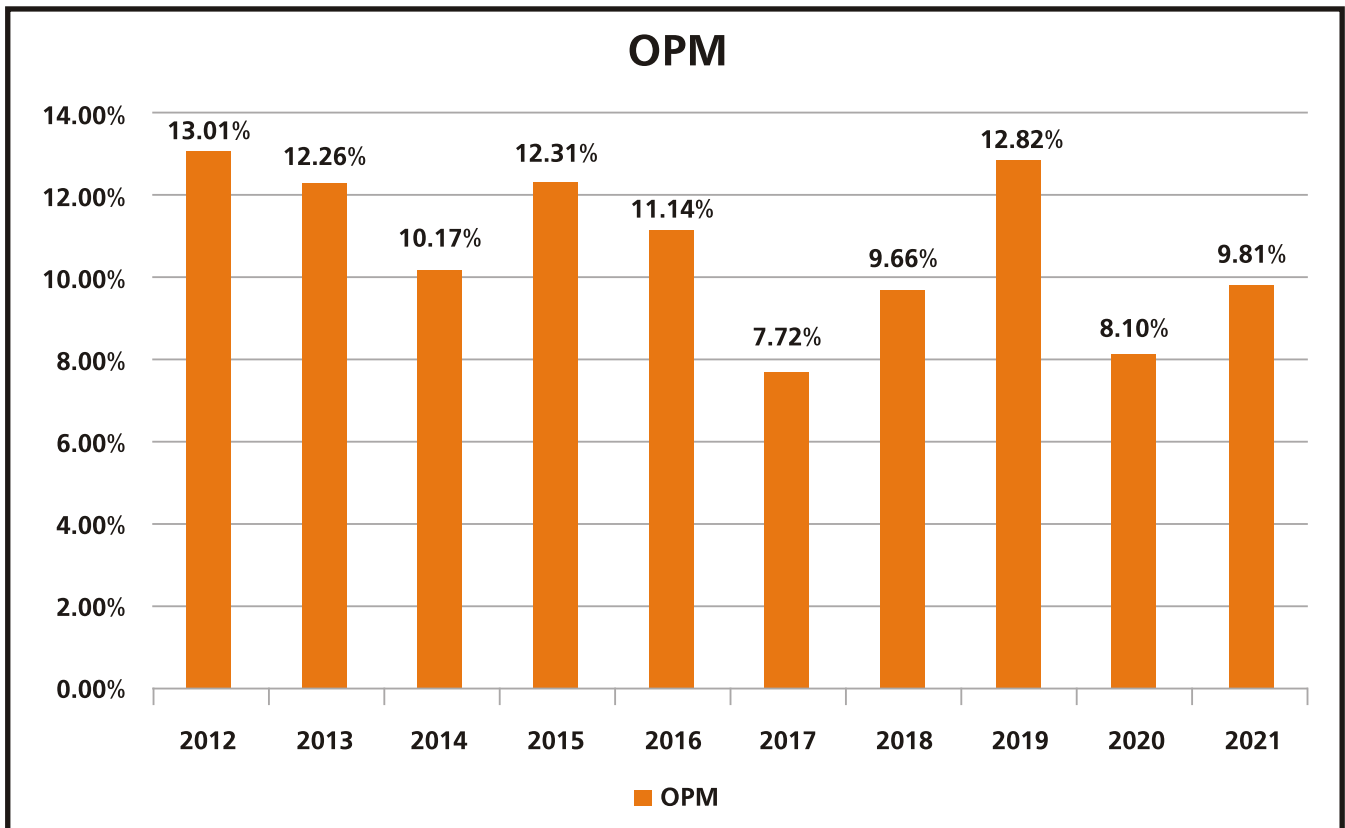
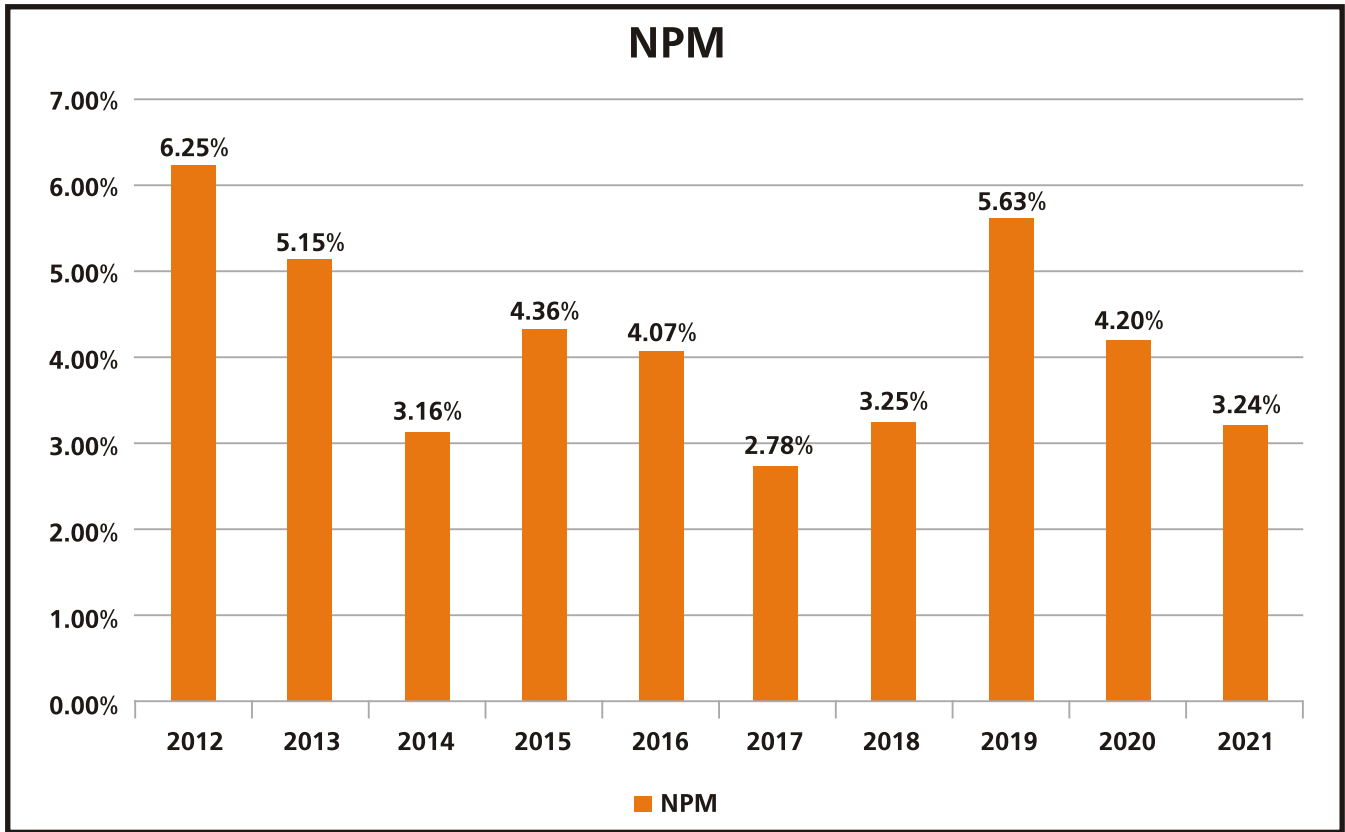
[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard-2 on General Meetings]

Name of the Director	Manjoo Sardana	M.G. Sharma	Saravjit Singh Hothi
DIN	08533106	00398326	09182046
Date of Birth	27.10.1952	14.06.1953	23.10.1949
Age	69	68	72
Date of first appointment on the Board	08.08.2019	01.08.2016	31.05.2021
Qualifications	Graduate	B.Sc., D.B.I.M, F.C.A., A.C.S.	Graduate
Experience and Expertise	Over 41 years	Over 43 years	Over 50 years
Number of Meetings of the Board attended during the year	4 out of 4	4 out of 4	N.A.
List of Directorship of other Board	—	Capital Small Finance Bank Limited	—
List of Membership /Chairmanship of Committees of other Board	—	Chairman of the Audit Committee and Special Committee on frauds of Capital Small Finance Bank Limited	—
Shareholding in The Sukhjit Starch & Chemicals Ltd.	1503197	120	—
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.



<p><b>Justification for choosing the appointees for appointment as Independent Directors</b></p>	<p>— N.A.—</p>	<p>— N.A.—</p>	<ul style="list-style-type: none"> <li>• He has long experience of about 30 years working in various capacities &amp; roles with Indian Air Force, leading from the front successfully as a commander / as an administrator or as a coordinator.</li> <li>• After retirement as an Air Vice Marshal he has another experience of 20 years of a proven successful entrepreneur and is associated with 'The Knowledge Academy' for training Corporate Professionals.</li> <li>• He has to his credit excellent Administrative &amp; Managerial skills in commanding/ managing men &amp; materials.</li> <li>• No relationship with any of the Directors/ KMPs of the Company.</li> <li>• Meets the criteria of independence as prescribed under the Act.</li> </ul>
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MANAGING DIRECTOR'S SPEECH



Dear Fellow Shareholders,

**Rhenium**

atomic number	75	186.207	atomic weight
symbol	Re		acid-base properties of higher-valence oxides
electron configuration	[Xe]4f <sup>14</sup> 5d <sup>5</sup> 6s <sup>2</sup>		crystal structure
name	rhenium		physical state at 20°C (68°F)

 Transition metals	 Solid
 Hexagonal	 Weakly acidic

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**Rhenium (Re)**, chemical element, a very rare metal of Group 7 (VIIb) of the periodic table and one of the densest elements. The metal and its alloys have found limited application as turbine blades in fighter-jet engines, fountain pen points, high temperature thermocouples (with platinum), catalysts, electrical contact points, and instrument-bearing points.





If and how, that's answerable :

## *Learning Traffic Lights*



*How are you finding your learning today?*

***"I am stuck!"***  
*Please help!*

***"I am getting there!"***  
*I can continue on my own  
but might need help later.*

***"I can do this!"***  
*I can help others*

2020 will be known for **Re**consideration, **Re**define, **Re**jenuvate, **Re**think and **Re**learn the new lessons from history.

2020 will also be known for utmost detailing by our scientists who actually relearned the basics of virology. 2020 will be known for central banks stand to Re-strategise themselves and have faith in common man. The actions of central banks have again highlighted their central role in crisis management as they swiftly cut policy interest rates and launched large-scale balance sheet measures. The COVID-19 pandemic has been the most cataclysmic event to endure, taking an unimaginable toll on everyone across the world – both at a personal and professional level. **2020 was a year of great strife, challenges, and worries. The COVID-19 pandemic disrupted lives and businesses, shook up supply chains, and upended human society. As we continue to grapple with the crisis, our thoughts and prayers remain with those individuals, families and communities most affected by the Pandemic. The economic toll from the pandemic was unprecedented. Operational challenges mounted due to restricted movement and disrupted supply lines. As the Covid-19 cases continued to rise exponentially, the economy declined sharply.**

2020 taught entrepreneurs like me that magnitude of the economic shocks would be higher and we need to build the company for the bigger resilience.



But trust experience, our authenticity, compassion and me have helped the company in this unique challenge along with the financial stress. **All kind of questions in IF are almost clear and we are ready with new energy and momentum.** Covid-19 pandemic imposed severe containment measures that hit the real economy first and then propagated to every next sector we served. We also have to recalibrate the way we engage with at all levels. Increasing penetration and proactively towards more credible, transparent, trustworthy, and scientifically better modulated products. The future will demand increased commitment from companies and their products, making sure that business stays committed to the community, consumers and the planet. **What Rhenium (Re) taught us that until or unless we Relearn the dynamics of business and community growth, we can't get the Premium.**

**Our company was not immune to these challenges. Like thousands of firms worldwide, we also experienced the pandemic's health, economic and business repercussions in the first quarter. We faced several logistical challenges and regulatory interventions and had to coordinate with multiple stakeholders.**

The economic and health scenarios in the country are still fragile and we are prepared to face the coming year with the same sense of unflinching commitment we are known for. As the country gently eases its way out of the crisis of second wave, our clients would expect our services to become fully operational. We are gearing up to ensure that our premises are safe, hygienic and secure so that employees and workers feel comfortable coming back to work with 100% capacity.

We expected the exercise to be 2-3-months long, but it took longer as many states/ cities continued to impose restrictions for an extended period of time. When the third wave of the pandemic hits us in August-October 2021, we would be well prepared and handle the crisis seamlessly.

Today, the world is all about 'Essentials' and we are proud to be recognised as a trusted input supplier in this space by addressing varied client needs using our seven decades of experience and proficiency across sectors. Our deep market insights enable us to leverage growth opportunities in the key markets we operate in concurrently helping our Company to emerge as a trusted player. Over the last 75 years, we have steadily increased our offerings and reach to cater to the varied and dynamic demands of the markets we serve. Our integrated solutions portfolio is helping us engage across multiple levels with our customers and drive high customer retention. Our Essential by-products are relatively inelastic in demand as observed this year, despite a steep decline in GDP across markets. The defensive nature of our products makes us a unique sector with solid predictability even in uncertain times. There could be a small delay in demand, but a small vacuum doesn't make a difference for the industry.

We confronted the uncertainties by focusing on three key priorities – 'safeguarding the health and well-being of our people, ensuring business continuity to meet consumer needs and supporting communities through our relief efforts. Despite unavoidable problems in the first quarter of last financial year, we reduced manufacturing



complexities which arose as a result of the lockdown and made available our products to consumers with speed and agility. Despite loss in first quarter due to immovability of raw material from one state to another, we progressed well in next 3 quarters with determination and with a new strategy.

Covid-19 has fostered a wave of innovation, both positive and negative, in Sukhjit's leadership team. Scientific studies along with considerable risks that Sukhjit could take, were essential for ending the Covid-19 crisis and designing new techniques to adapt to a post-pandemic world.

From a neuropsychiatric perspective, there are obvious signs of global psychological distress related to social isolation and fears of illness, death and countless uncertainties about the future. Many people may not be actively seeking employment due to social distancing measures. Lot of people with more than average savings prefer to take a break and spend time with family to reduce anxiety. Interestingly, consumers are spending more time in kitchen than in restaurants and actually looking the packing for ingredients. Remote work has become the new norm, allowing people to work from the comfort of their own home and focus more on quality of foods and ingredients.

Government focus to boost food Processing and pharma Industry : Union Government production-linked incentive (PLI) scheme to promote processed food manufacturing, with an estimated cost of ₹ 10,900 crore to the exchequer over the next six years is seen to bring a positive sentiment among the food processing industry in the country. PLI scheme will promote growth and investments in the sector. While the initiative paves the way for many Indian brands to go global it will give opportunities for Sukhjit to sell globally indirectly.

In Pharma, India's first post-pandemic budget has provided a boost of nearly 200 per cent for developing the pharmaceutical sector to help the country bolster its image as the 'pharmacy of the world'. In the allocation for the Union Department of Pharmaceuticals, which comes under the Ministry of Chemicals and Fertilizers, Budget 2021-22 earmarks ₹ 124.42 crore for initiatives aimed at 'Development of Pharmaceutical Industry'. The big push for the pharma sector can be seen as an attempt by the government to wean India off raw material imports from China that are heavily used in local drug manufacturing.

In America, according to a leading research firm, Melius Research, industrial firms of all types that reported results in the first half of 2020 predict a 20% increase in capital expenditures in food processing industry. The pandemic put many projects on hold but they're coming back on board.

At Sukhjit, where we come from influences what we are and what we do. We draw on these roots – values, experiences, loyalty, brand value and knowledge - to sustain across challenging market cycles and respond with speed when realities improve. These roots have translated into value for all our stakeholders, strengthening our business sustainability. But we still believe that there is a huge scope of improvement in financial and operational efficiencies.



Last year we have received some mails and queries from long term shareholders. Let me Reassure each one of you that the every member of Sukhjit team is committed to deliver with lot of hard work and consistency. I understand that it's a human Phycology that "One never notices what has been done; one can only see what remains to be done". Life is 10% what happens to us and 90% how we react to it.

On personal level from covid, I have learned that Giving back to society, Empathy and Good Karmas are the most important lessons of life. Empathy means understanding things deeply, absorbing the unwritten and going the extra mile for people who depend on us. Although Empathy is intuitive, we believe it can be developed intellectually through impactful acts. I would like to assure you that we continue to stand with the common man during this challenging phase of Covid-19.

Going forward, we feel that the second wave is likely to subside by June, 21 & the third wave may not hit our country with that severity due to vaccination and other preventive measures being undertaken by the Government. So, if the GDP will achieve the target of 9%, the starch Industry will show a growth of 15% to 20% during F.Y. 21-22. Since some part of this year has been affected by 2nd wave of Covid but we are hopeful to achieve a turnover of close to Rs. 1000 crore during the running year but next year i.e. 22-23 will certainly come out with results of our expansion undertaken last year with 80 to 90% utilisation of our expanded capacity and we may achieve 15% growth in turnover along with reasonable amount of increase in EBITDA.

We are optimistic that each of us will rise to this challenge with all the will power, hope, energy and prayer that we can muster! If the pandemic has taught us a lesson, it is to embrace humanity and make a difference with our lives for whatever time we have on the planet.

Best Regards

K. K. Sardana

"Nothing in life is to be feared, it is only to be understood. Now is the time to understand more, so that we may fear less".

Dr. Marie Sklodowska-Curie: only person to be awarded Nobel Prizes in two scientific categories till date.



**NEW MAIZE PROCESSING FACILITY COMMISSIONED IN PUNJAB**



**SUKHJIT MEGA FOOD PARK**



## DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 77th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2021 :-

### 1. FINANCIAL RESULTS

	2020-21 (₹ in Crores)	2019-20 (₹ in Crores)
Sales & Other income	702.78	805.24
Earning before Interest, tax and Depreciation	68.56	64.55
– Less Interest	20.58	18.16
– Depreciation	17.72	13.35
Profit before tax	30.26	33.04
– Provision for taxes	6.25	8.93
– Deferred Tax/(Deferred Tax written back)	1.40	(9.40)
Profit After Tax	22.61	33.51
Surplus brought forward from previous year	34.12	25.61
Transfer to General Reserves	25.00	25.00
Dividend for the F.Y. 2019-20	2.95	–
Surplus carried forward	28.78	34.12

### 2. PERFORMANCE

The National lockdown in March, 2020 and imposition of Curfew in some states due to outbreak of Covid-19 Pandemic, which being a necessary step to contain the spread, posed serious challenges to the Trade & Industry putting supply chains out of order across the Country. It caused serious disruption to the operations of the Company in some states where intensity of the pandemic was severe and resulted in temporary shutdown of the units in those states. However, Company ensured that there was no lay off or retrenchment of its workmen and all out efforts were made to secure and protect the workmen & their families from the pandemic. Overall operations of the Company were badly bruised during the 1st two quarters of the year. However, things improved in the 3rd quarter with normal working getting restored in the 4th quarter at all our units located in different states. The Sales & Other Income of the Company which was merely ₹ 287.26 Cr. in the 1st half of the year got improved to ₹ 415.52 Cr. in the 2nd half with annual turnover at ₹ 702.78 Cr. against ₹ 805.24 Cr. during the previous year.



## **DIRECTORS' REPORT**

The Earnings Before Interest, Tax and depreciation is ₹ 68.56 Cr. (₹ 64.53 Cr.) which after interest of ₹ 20.58 Cr. (₹ 18.16 Cr.) and depreciation of ₹ 17.72 Cr. (₹ 13.35 Cr.) resulted in a net profit before tax of ₹ 30.26 Cr. (₹ 33.04 Cr.). The higher charge of Interest & Depreciation is owing to the capitalisation and operationalization of the newly setup maize processing facility of the Company in the state of Punjab. The net profit after tax has come down from ₹ 33.51 Cr. to ₹ 22.61 Cr. this year. This is due to the write back of the deferred tax liability of ₹ 9.02 Cr. during FY 2019-20, on its re-measurement, pursuant to the Taxation (Amendment) Ordinance, 2019 issued by Ministry of Law and Justice on 20th september 2019, effective from 1st April 2019. However, the overall EBITA % has improved significantly during the year i.e. by about 1.75%.

### **3. FUTURE PROSPECTUS**

Re-emergence of the 2nd wave of Covid in April, 21 has led to some restricted lockdown in some States where our units are located impacting our operations in the month of May, 21. Going forward we feel that the second wave is likely to subside by June, 21 & the third wave may not hit our country with that severity due to vaccination and other preventive measures being undertaken by the Government. With the prediction of normal monsoons during the running year, it is expected that high production of agriculture produce will improve the availability of basic raw material at an optimum cost. This will also ensure continuous supply of raw material at an optimum cost at all plant locations of the Company. The Company is trying to optimize the capacity utilization at the existing units. The turnover of the Company is likely to grow by over 30% owing to the full year operations of the Company's new unit at Rehana Jattan, Phagwara which was commissioned and operationalized in Nov, 20.

### **4. DIVIDEND**

The Directors are pleased to recommend a dividend of 30% ( i.e. ₹ 3/- per Equity Share of ₹ 10/- each) during the financial year ended 31st March, 2021 against dividend 20% (i.e. Rs. 2/- per equity share of ₹ 10/- each) paid in 2019-20. The outflow on account of the dividend will be ₹ 4.43 Cr (P.Y. ₹ 2.95 Cr.). The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

### **5. CAPEX & CREDIT RATING**

The Credit Analysis & Research Limited (CARE), owing to the adverse impact of COVID-19 on the operations of the Company (although temporary), has reviewed and accorded the rating CARE A for the long term borrowings of the Company and CARE A1 for the short term borrowing of the Company.

The Current Assets of the Company stood at ₹ 221.31 crores as compared to ₹ 254.25 crores on 31.03.2020 including Inventories at ₹ 100.85 crores on 31.03.2021 against ₹ 152.10 crores in the previous year. The Non Current Assets have increased to ₹ 484.96 Crores (Net) on 31.03.2021 against ₹ 454.66 crores on 31.03.2020 due to the additional cap-ex for the new maize processing facility in the state of Punjab. There is no major cap-ex planned for the running year. So, the Internal Accruals of the Company are set to strengthen the working capital position of the Company during FY22.

The Management believes that the Company has enough liquid resources at hand to meet any additional working capital requirements.





## **DIRECTORS' REPORT**

### **6. MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **7. CORPORATE GOVERNANCE**

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

### **8. SHARE CAPITAL**

There is no change in the Equity Share Capital during the F.Y. 2020-21.

### **9. TRANSFER TO RESERVES**

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

### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2021, 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 31.03.2021, have been prepared on a 'going concern' basis;
- (e) the internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **11. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

**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. It continues to provide engineering support to the manufacturing operations of the Company. However, its operations have also been badly hit due to Covid during the year under reference.



## DIRECTORS' REPORT

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

**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 has operationalised its project of the Mega Food Park in the state of Punjab, during the year under reference. The Company has created a State of Art Technology Infrastructure for setting up food processing units in the Mega Food Park. However, most of the potential investors deferred their fresh investments due to adverse effect of Pandemic on their existing business. The Company is expected to show up good performance during the running year after good part of its assets get leased out and operationalized.

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 with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2021 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company who may be interested in seeking such information and are also available for inspection by any shareholder of the Company at the registered office of the Company during business hours. The Company shall place the annual accounts of subsidiaries on its website and shall provide the requisite information to any shareholder on demand.

### **12. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES**

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

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, there was no employee who is 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 2020-21.



## DIRECTORS' REPORT

### 13. DIRECTORS

(a) Ms. Ruby Agrawal, one of the Independent Directors of the company has expressed her inability to continue as a Director of the Company due to her personal reasons and has resigned from the Directorship of the Company on 21.05.2021. The Board accepted the said resignation in their meeting held on May 31, 2021. The Board placed on record her rich contribution as a board member or as a member of the committees during her association with the Company as an Independent Director.

(b) Smt. Manjoo Sardana, a Non-Executive Director of the Company, is retiring by rotation and being eligible, offers herself for reappointment. Board recommends her reappointment as the Non-Executive Director of the Company.

(c) The Board considered the re-appointment of Sh. M.G. Sharma (DIN: 00398326), as Executive Director (Fin) & CFO of the Company with effect from 1st August, 2021 to 31st May, 2023.

Sh. M.G. Sharma has been associated with the Company from the last about four decades and heading finance and commercial functions of the company with due compliance of statutory Acts of the company from time to time. He is also actively involved in key areas like policy formulation, product planning & development, finance, procurement of raw materials, marketing of finished products and other commercial & administrative activities of the company.

The Board, therefore, in the overall interest of the company, recommends his re-appointment as Executive Director (Fin) & CFO with effect from 1st August, 2021 to 31st May, 2023.

(d) The Board co-opted Sh. Saravjit Singh Hothi (DIN:09182046), the former Air Vice Marshal at Indian Air Force, as an Independent Additional Director of the Company till the conclusion of the ensuing Annual General Meeting.

Sh. Saravjit Singh Hothi had an excellent career during his coveted service, spanning about 30 years, with Indian Air Force. He has to his credit excellent administrative & Managerial skills in commanding/ managing men & materials. He has been decorated twice by The President of India with prestigious medals like Vayu Sena Medal and Vashishth Sewa Medal.

Presently, he is proprietor of MSP, Jalandhar and associated with "The Knowledge Academy" (a UK based organisation) which provides training to the Corporate Professionals. Sh. Saravjit Singh Hothi has also done a course on 'Independent Directors Studies for Senior Officers of Armed Forces'.

Board recommends his appointment as an Independent Director of the Company and feel that his induction would further enrich the functioning of the Board of Directors.

(e) 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 sub section (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.



## **DIRECTORS' REPORT**

(f) 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/ Committee's/ Director's 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 and in the Meeting of the Nomination & Remuneration Committee of the Company both held on 29th January, 2021 reviewed the performance of Non- Independent Directors, the Board as a whole and also the Chairperson of the Company. The same was placed on record and discussed in the Board Meeting following the meeting of the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The Board of Directors held four meetings during the year under reference and details thereof appear in report on Corporate Governance as per Annexure B of the Annual report.

### **14. INTERNAL FINANCIAL CONTROLS**

Internal financial control systems of your company ensure the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals and compliance with all the applicable laws & regulations. The Internal & External Auditors of the Company also measure the effectiveness of internal controls through periodical checks and ensure that company has an effective internal control system duly commensurate with its size and nature of business. The management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

### **15. VIGIL MECHANISM**

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

<https://www.sukhjitgroup.com/whistle-blower-policy>



## **DIRECTORS' REPORT**

### **16. 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.

### **17. 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 SEBI (LODR) Regulations, 2015, as applicable, besides other matters as referred by the Board of Directors from time to time. The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. The committee oversees the financial reporting process by the Management, the internal auditors and the independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors.

The Committee mandatorily reviews information such as internal audit reports related to internal control weakness, management discussion & analysis and 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 Chairman and Sh. Vikas Uppal, Smt. Ruby Agarwal and Sh. M.G. Sharma as its members. All recommendations made by the Audit Committee during the year were accepted by the Board.

### **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 31/03/2021.
- (ii) Unsecured Loans as on 31/03/2021 include ₹ 6.30 crores (P.Y. ₹ 5.77 crores) received from directors, 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 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 is no change in the nature of company's business during the year under review.



## **DIRECTORS' REPORT**

- (vii) 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.
- (viii) 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.
- (ix) 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.
- (x) There has been no default in repayment of deposits or payment of interest thereon during the year.
- (xi) There was no instance during the year where the recommendations of any committee were not accepted by the Board.

### **19. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The report on Corporate Social Responsibility activities carried out during the financial year 2020-21 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 expected 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 by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. However, the transactions with subsidiary Companies are incurred after due appraisal, approval(s) at appropriate levels and omnibus approval by the Audit Committee / Board, which are in the ordinary course of business and are at arm's length price. In terms of IND AS-24, the details of such transactions are duly presented as per Point No. 7 of the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company appears on the Company's website at the link:

<https://www.sukhjitgroup.com/policy-on-dealing-with-related-party-transactions>



## **DIRECTORS' REPORT**

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

Particulars of loans given and Investments made are provided in the standalone financial statements. The Company has given/provided some Guarantees / Securities to the Govt. / other Departments in the ordinary course of business. The company has provided Corporate guarantee(s) for ₹ 40 crores to the Yes Bank Ltd. and ₹ 20 crores to the Citi Bank N.A. against the Term Loans for setting up the Mega Food Park by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. The balance under these term loans appeared at ₹ 34 Cr. due to the Yes Bank Ltd. & ₹ 7 Cr. to the Citi Bank N.A. as on 31.03.2021 and there is no 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 2020-21 :

- (a) ₹ 9,95,825/- as unpaid/unclaimed dividend for FY 2012-13 to the Investor Education and Protection Fund (IEPF).
- (b) 42,129 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 VSAP & Associates, Chartered Accountants, the retiring Auditors of the Company have confirmed their eligibility to be re-appointed as Statutory Auditors of the Company and will continue till the conclusion of the next Annual General Meeting (as per their original appointment for a period of 5 years, approved in the Annual General Meeting held on 27th July, 2017). The Company has paid a sum of ₹ 5.90 lacs (incl. GST) to M/s VSAP & Associates, Chartered Accountants as audit fees during the Financial Year ended 31st March, 2021.

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



## DIRECTORS' REPORT

### **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 2021-22, subject to the approval of the Central Government. The Cost Audit Report for the financial year ended 31st March 2021 is due to be filed with the Ministry of Corporate affairs on or before the September, 2021 and the cost audit report for the financial year ended 31/03/2020 was duly filed within the dates extended by MCA as a Covid relaxation.

### **Secretarial Auditors :**

M/s Dinesh Gupta & Co., Practicing Company Secretaries, have conducted Secretarial Audit for the financial year 2020-21. The Secretarial Audit Report for the financial year ended March 31, 2021 forms a part of the Annual Report as per 'Annexure G'. The Board has re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2021-22. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

## **27. ACKNOWLEDGEMENT**

Your Directors would like to express their sincere thanks for the assistance and co-operation received from the bankers, govt. authorities, customers, members and other business associates. They place on record their deep sense of appreciation for the committed services of the executives, staff and workers of the Company for its success. Further, the management truly admires & recognizes the dedication, regularity and hard work of the employees during the challenging times amid Covid-19 pandemic.

The Directors regret the loss of life due to Covid-19 pandemic and feel grateful to every front line person who risked their life and safety to fight this pandemic.

Yours truly,

For and on behalf of the Board,

Sd/-

**MANJOO SARDANA**

Chairperson

Sd/-

**K.K. SARDANA**

Managing Director

Dated : 31st May, 2021





## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Global Outlook :**

Global economy FY 2020-21 has been an unprecedented year in modern times, with the COVID-19 pandemic impacting human life extensively across the globe. Its impact on the economic front, too, had been significant. The slowdown across economies witnessed in 2019 exacerbated further in quarter one of the 2020 by the shock delivered by the pandemic. As a result, the global GDP is believed to have contracted by 3.3% in 2020, with all major economies moving into negative territory. China was the only exception amongst the major economies to have posted a positive growth in 2020, albeit at a much lower rate of 2.3%. The economic upheaval could have been much more severe had it not been for the quick and synchronized response from central banks and governments globally, although this too varied across countries. The increase in balance sheet sizes of almost all central banks and the supportive measures undertaken by governments globally ensured easy availability of funding and support for both private and public consumption. This support has been instrumental in the progressive recovery seen in the last two quarters of the calendar year as compared to the significant contractions observed in the first two quarters. The sequential recovery in global trade coupled with the easy liquidity conditions have also led to a sharp rise in commodity prices, especially in the last quarter of FY 2019-20. This has been further aggravated by large-scale disruptions in the global supply chain, with shipping line capacities and container availability posing a major challenge. Economic recovery is under severe threat amid surging COVID cases and lagging vaccination in the economically weaker countries. Several factors have contributed to cast doubts on the earlier predicted 5.4% global growth in 2021. Though China and the United States seem to be leading growth trends, the United Nations forecasts that the spiking COVID - 19 cases and the less than efficient implementation of the vaccination program in other countries remains a looming threat to the world economy. For many countries, economic output is only projected to return to pre-pandemic levels in 2022 or 2023. The only path to a definite recovery for both the economy and people is the availability and implementation of a robust vaccination program in all regions across the globe. Global trade though growing, is still seeing an uneven recovery.

Global prospects still remain highly uncertain one year into the pandemic. New virus mutations and the accumulating human toll raise concerns, even as growing vaccine coverage lifts sentiment. Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. The battle between the virus and vaccines, may partly influence the growth of the country, as it also hinges on how effectively economic policies deployed under high uncertainty can limit lasting damage from this unprecedented pandemic. During 2021, the overall Global growth is estimated at 6% in 2021, moderating to 4.4% in 2022. The growth estimates for 2021 and 2022 are stronger than in the month of October 2020 (World Economic Outlook). The upward revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021 and continued adaptation of economic activity to subdued mobility. However, high uncertainty still surrounds this outlook, due to the uncertainty of second / third wave of pandemic, the effectiveness of government policies and the efficiency of vaccines.



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### **Indian Economy :**

The Indian economy too witnessed similar stress, with the nationwide lockdown from end March 2020 bringing business activities to a standstill for the major part of April and May 2020. An accommodative monetary policy from the Reserve Bank of India (RBI) and fiscal policy interventions by the Central Government, coupled with the gradual reopening of the economic activities from June 2020, have led to a sequential recovery on the economic output. India's real GDP clocked a 0.4% growth in the October-December 2020 quarter on a year-on-year basis after a sharp fall in the first two quarters of FY 2020-21. However, the recovery is largely centered around the formal part of the economy. The informal players, especially the Micro, Small and Medium-sized Enterprises (MSMEs) in many industries have taken a disproportionately large hit. Inflation picked up over the year, despite the pandemic, primarily led by food inflation and higher fuel taxes. On the exchange rate front, post the initial bout of depreciation in the Indian currency in the beginning of the financial year, the currency has been relatively well supported on account of robust portfolio inflows in the economy as well as a better current account position.

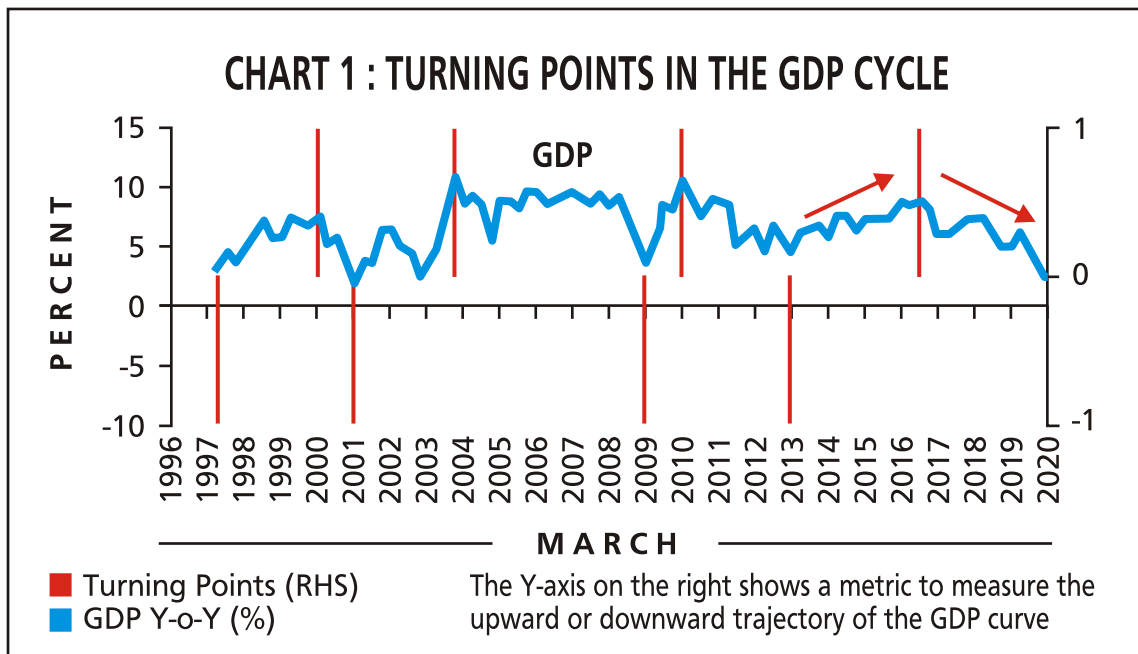
### **Outlook :**

The rollout of the vaccination drive across the major economies, including India, in the last quarter of FY 2020-21 has accorded a much-needed boost to sentiments around a sustained recovery of economic activity across the globe. Almost all major central banks have pledged to continue an accommodative monetary stance to reinforce the economic green shoots. Coupled with the base-effect, economic growth is expected to bounce back strongly in FY 2021-22 on the global as well as the domestic front. However, a lot would hinge on how the pandemic plays out, given the resurgence of the virus and the spread of infections. There has been a re-imposition of restrictions on business activity in many states and this has again disrupted operations of our vast supply chain network. This is expected to lead to uncertainty in demand in the larger home improvement categories, including paints. Again, inflation in commodity prices and more specifically in input materials in our product segment, has risen significantly since the last quarter of FY 2020-21 and continues to be on the uptrend. While services, especially tourism, hospitality and international travel will continue to see de-growth from the pre pandemic levels, commodities, products and manufactured goods are growing. Economies that are primarily manufacturing-led, are doing better. India's GDP growth forecast has been cut from the earlier projected 13.7% to 9.3% for fiscal 2021 due to the negative impact of the second wave of Covid-19. Retail inflation slipped to a three-month low of 4.29% in April. The Consumer Price Index (CPI) based retail inflation stood at 5.52% in March. Food price inflation eased to 2.02% in April from 4.87% in the preceding month.

The challenges to business posed by this inflationary pressure and the uncertain market conditions, would place strong emphasis on managing the business in a dynamic manner and altering operational priorities to suit the changing market conditions. India expected to be able to vaccinate two-thirds of its entire population with the first dose by Q1-2022. Most researchers think vaccine demand and supply are not going to be limiting factors to the program roll-out in the medium-term as indicated by demand surveys and India's indigenous vaccine manufacturing capabilities. However, vaccine distribution is going to be a limiting factor as at least 60% of the Indian population resides in rural areas which have poor healthcare infrastructure.



**ANNEXURE 'A' TO THE DIRECTORS' REPORT**



	PHASE	QUARTERS
CYCLE1	Down cycle	June 2000 to March 2001
	Up cycle	June 2001 to March 2003
CYCLE2	Down cycle	March 2004 to March 2009
	GFC	Dec 2008 to Sept 2009
	Up cycle	June 2009 to March 2010
CYCLE3	Down cycle	June 2010 to March 2013
	Up cycle	June 2013 to Sept 2016
CYCLE4	Down cycle	Dec 2016 to June 2020

Source : RBI staff estimates

In the first 2 quarters, the government greatly benefited from very low crude oil prices. After staying close to the \$60-a-barrel mark. The sudden and sharp fall in oil prices allowed the government to completely tame the high retail inflation in the country, while on the other, it allowed the government to collect additional taxes on fuel.

But since the last two quarters, India has been facing persistently high retail inflation. Even the demand destruction due to lockdowns induced by Covid-19 in 2020 could not extinguish the inflationary surge. India was one of few countries - among comparable advanced and emerging market economies - that has witnessed inflation trending consistently above or near the RBI's threshold since late 2019.



**ANNEXURE 'A' TO THE DIRECTORS' REPORT**

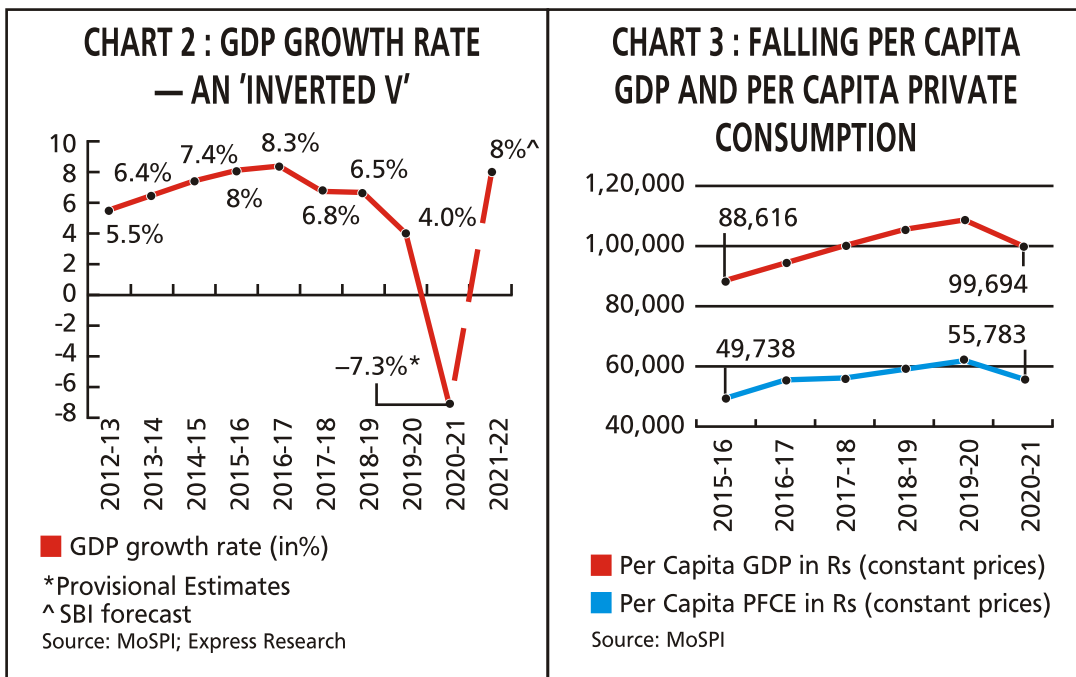
With ninth largest World's Organic Agricultural land and largest number of producers India is fast growing in the organic food segment. India produced all varieties of food products namely Oil Seeds, Sugar cane, Maize, Cereals & Millets, Cotton, Pulses, Medicinal Plants, Tea, Fruits, Spices, Dry Fruits, Vegetables, Coffee etc.

On the demand side, increasing disposable incomes, increasing awareness around health and wellness and increasing acceptability are driving the growth in the organic food segment which is expected to grow at a CAGR of 12 per cent by 2025.

At the same time the demand for Indian food products is on constant increase worldwide with India exporting organic products to USA, European Union, Canada, Switzerland, Australia, Israel, South Korea, Vietnam, New Zealand, Japan etc.

The Prime Minister last year asked The Chief Ministers to increase the economic size of their respective states by 2-2.5 times to ensure \$5-trillion national economy by 2024 from the current level of \$2.7 trillion. This would help generate additional jobs and increase the purchasing power of the common man.

As against the norm of an unemployment rate of 2%-3%, India started routinely witnessing unemployment rates close to 6%-7% in the years leading up to Covid-19. The pandemic, of course, made matters considerably worse. What makes India's unemployment even more worrisome is the fact that this is happening even when the labour force participation rate - which maps the proportion of people who even look for a job - has been falling.



With weak growth prospects, unemployment is likely to be the biggest headache for India and substantial investment is required to reduce the unemployment rate by the Government and Private Sector. Increase in employment will boost the demand in the economy and will help companies like us in the medium term.



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### **Sukhjit Starch in Covid :**

Thinking for the long term is at the heart of our purpose – Improving Lives for Generations. It inspires our people at every level because they see every day how we can grow our business and have a positive impact on the society. As we go into next year, we're absolutely focused on continuing to deliver our strategy and priorities, managing the impact of Covid-19 and building a long-term plan for our business. How to expand beyond our current platforms? How to adapt our business model as trade patterns change? How to build a progressive agenda on sustainability? and How, ultimately, to maximize our potential?

Secure maize supply: Maize is our largest raw material and a secure supply is essential.

We invest in maize storage network and our relationships with the farmers who supply us and we manage inventory carefully.





## ANNEXURE 'A' TO THE DIRECTORS' REPORT

What has not changed is sukhhjit's business approach of balancing caution with aggression. The words that describe Sukhhjit best:

- Conservatively Aggressive
- Under-Promise and Over-Delivery
- Innovate and Excel

FY 2020-21 was a year of new norms – new customer expectations and needs, and a new work environment and its challenges. As an organisation, we not only adapted to these new norms, addressing the emerging realities, but also remained in pursuit of our long-term strategic objectives that would enable us deliver sustainable growth. The uncertainty in the first few months brought us together, offering a unique opportunity to introspect, reflect on our organisational journey over the past decades and powered our zeal to visualise a roadmap to take our organisation to the next level.

It was a year of great satisfaction, as we began with tremendous challenges before us due to pandemic, migration of labour and demand for most things taking a huge toll. But as expected, markets opened again, demand came back and we worked ever longer and harder to see how we can position ourselves in the market at higher pitch. In this Second wave, demand for most goods and services is slowing down and people's sufferings are more pronounced than in the same time last year. The lethal second wave did not vanish completely and there may be a third wave. We need to learn lessons from history (and we know that history repeats itself) and this one seems to be playing with such striking similarity that's its almost frightening. We need to really work hard to safeguard ourselves from the third wave. We seem to be better equipped than in the past, we have vaccines, that too produced in India. This one innovation in such short period of time is the biggest gift of the scientists to the humanity, as a management we bow down our heads for those who risked their lives and made this not only a possibility but a very good weapon in our hands to fight this unseen enemy.

Starch and its value added product's demand, currently, is growing slowly but much better than the same time last year when we had a nationwide lockdown. We are making all out efforts in keeping our operations moving with all safety measures in place. We are helping vaccinate our people and taking all precautions to have very safe and secure operations. There was no vaccine in sight last year this time. This is what we call, a game changer. We are cautiously optimistic sure things will improve here on and this phase shall also pass, sooner than later.





## ANNEXURE 'A' TO THE DIRECTORS' REPORT

Global Starch Industry has seen through the pandemic that demand for food has remained fairly robust. Food industry continues to be one of the biggest long-term sustainable business opportunities that INDIA offers. Despite being one of the fastest growing markets globally for food products, India's per capita packaged food consumption is still amongst the lowest in the world, giving the industry a long runway for growth. The agriculture sector performed well, leading to a strong performance by rural markets. The impact of Covid-19 was more pronounced in metros and bigger towns, resulting in a slower recovery in urban markets.

In 2020, both the Mega Food Park & the new maize processing unit at Rehana Jattan have been fully commissioned and the maize processing unit would have achieved 70% to 75% capacity utilisation this year but for disruption due to Covid-19. About 45% of the infrastructure created by the Mega Food Park has not been operationalised as the intended investors have delayed their investment plans owing to Covid & we feel that it may take one more year for the food park assets to go fully operational.





ANNEXURE 'A' TO THE DIRECTORS' REPORT







## ANNEXURE 'A' TO THE DIRECTORS' REPORT

### **Food processing - 'A sunrise sector'**

India's food ecosystem offers huge opportunities for investments with stimulating growth in the food retail sector, favourable economic policies and attractive fiscal incentives. The Food & Grocery market in India is the sixth largest in the world. Food & Grocery retail market in India further constitutes almost 65% of the total retail market in India.

The Government of India through the Ministry of Food Processing Industries (MoFPI) is also taking all necessary steps to boost investments in the food processing industry. The government has sanctioned 37 food parks funded under the Mega Food Parks Scheme, 21 are operational and 16 are under implementation as on 13 January 2021. Ministry of Food Processing Industries is focusing on boosting the food processing industry so that agriculture sector grows exponentially and becomes a major contributor to doubling the farmer's income and to give a major boost to the food processing sector by adding value and reducing food wastage at each stage of the supply chain with particular focus on perishables.

The food processing sector in India encompasses manufacturing enterprises in all the segments from micro to large industries. India is having competitive advantage in terms of resource endowment, large domestic market and scope for promoting value added products.

Currently, the food processing industry accounts for 32 per cent of India's food market. With population growing steadily, the demand for food is increasing. With disposable incomes rising steadily, the food sector has been witnessing a marked change in consumption pattern.

Food processing has an important role to play in linking Indian farmers to consumers in the domestic and international markets. The Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments across the value chain. The industry engages approximately 1.93 mn people in around 39,748 registered units with fixed capital of \$32.75 bn and aggregate output of around \$158.69 bn (Source : [www.fao.org/india](http://www.fao.org/india)).

For achieving full potential of this sector would require Indian companies to improve their competitive strength vis-a-vis their global counterparts in term of scale of output, productivity, value addition and their linkages with the global value chain.

Recently, food processing industries ministry invited an expression of interest for PLI scheme so that it takes off at the earliest. The Cabinet on March 31 had cleared a Production Linked Incentive (PLI) scheme to promote processed food manufacturing, with an estimated cost of ₹ 10,900 crore to the exchequer over the next six years. The scheme would help expand the domestic capacity for food processing and potentially generate additional ₹ 33,500 crores worth of processed foods with a potential to create 2.5 lacs employment, according to an official estimate.

With a view to provide financial, technical and business support for upgradation of existing micro food processing enterprises, In April 2021, the Ministry of Food Processing Industries (MoFPI) launched an all India "Centrally Sponsored Pradhan Mantri Formalization of Micro Food Processing Enterprises (PM FME) Scheme" to be implemented over a period of five years from 2020-21 to 2024-25 with an outlay of Rs 10,000 crores.



## ANNEXURE 'A' TO THE DIRECTORS' REPORT



Sukhjit has presence in different states and COVID has effected every state in different proportion. Secondly, Sukhjit operates in one segment i.e. Maize Processing. However, the peers have diversified in other segments, which out performed during Covid-19

And so when we think about Sukhjit by 2025, we will be the premier nutrition company with a complete portfolio of ingredients and solutions for food and beverages and we are also an innovator in sustainable solutions, which is very important, especially because the consumers are a lot more sensitive about kind of where their products are coming from and then you will seeing that we are a lot more technology-focused as well, getting more agile, getting closer to customers in order to shape our offerings.

This transformation did not happen overnight and let us accept that we are adapting changes for a higher RoE and RoCE. We are focusing on 3 Cs: Capital discipline, Cost reduction, Cash generation, in order to make sure that we're fit for the journey in long run. The New promoter generation is more professionally & technically qualified with diverse skill sets. Moreover, they are backed by strong talent pipeline of young & dynamic professionals who are well set to take the company to a new level of growth trajectory in the future. We believe, Starch industry is going to grow at the double rate of the GDP rate in the next 5 to 10 years. Future expansion plan of the company provides for strengthening the product portfolio of the company for higher value addition.

Our earnings growth will be driven by the productivity, efficiencies in terms of the operations, especially leveraging the centers of expertise that we have set up. And then in the area of growth and innovation from our perspective that there are a lot of opportunities, particularly in the area of sustainability, whereby, we can leverage that in order to drive earnings forward into the future.

The new R&D team will also focus on industrial markets we serve, our products are used in essential, everyday household goods like detergents, paper and packaging. Our deep understanding of end markets means we're well-placed to take advantage of the opportunities they present.



## **ANNEXURE 'A' TO THE DIRECTORS' REPORT**

### **Human Resources**

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

### **Internal Control Systems and Adequacy**

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

### **Corporate Social Responsibility (CSR)**

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

### **Risk Factors**

Government policies, mandates and regulations specifically affecting the agricultural sector and related industries; regulatory policies or matters that affect a variety of businesses and political instability could adversely affect the Company's operating results. Further, imposition of Curfew / Lockdown in some states due to outbreak of Covid-19 pandemic has changed the overall economic activity resulting in serious disruption of business operations in the 1st two quarters of FY21. Similarly, the Re-emergence of the 2nd wave of Covid in April, 21 has led to restricted lockdown in some States where our units are located impacting the operations of the Company in the month of May, 2021.

Agricultural production and trade flows are subject to government policies, mandates, and regulations affecting the agricultural industry such as taxes, tariffs, duties, subsidies, incentives, foreign exchange rates and import / export restrictions on agricultural commodities and commodity products can influence the plantation of certain



## ANNEXURE 'A' TO THE DIRECTORS' REPORT

crops, the location and size of crop production, whether unprocessed or processed commodity products, the volume and types of imports and exports, the availability and competitiveness of feed stocks as raw materials, the viability and volume of production of the Company's products and industry profitability.

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

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

### **Cautionary Statement**

The Management discussion and analysis report contains forward looking statements based upon the data available with the Company, assumptions with regard to economic conditions, the government policies etc. Particularly, the re-imposition of lockdown and curfew in some states amid 2nd wave of Covid-19 Pandemic has caused disruption of business operations across the country in April / May 21. The Company has been taking necessary steps from time to time to contain the impact of pandemic following the statutory guidelines/advisories issued by the Central / State Governments. The prevailing uncertainty and the emergence of the third wave & its severity in our Country may again impact the operations of the Company in the coming months including the level of capacity utilization, demand scenario, sales, prices of raw material & finished products etc. The impact in future may be different from the estimates made on the date of approval of these results.

Inspite of the Management's continues monitoring of the situation amid the said Pandemic and taking necessary measures accordingly to address the situation, the Company cannot guarantee the accuracy of assumptions and performance of the Company in future. Therefore, the actual results, performance or achievements could thus be 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 works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, various governing laws and accepted best business practices. The Company emphasizes the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The company has always remained prompt and regular in discharging its statutory obligations and duties. The Company is also having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

#### 2. BOARD OF DIRECTORS :

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

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

The Composition of the Board and category of Directors as on March 31, 2021 are given hereunder :

Category	Name of Directors	No. of Shares held
<b>Promoter/Executive Directors</b>	Shri K.K. Sardana - Managing Director	1337709
	Shri M.G. Sharma - Executive Director (Fin) & CFO	120
<b>Non-Executive Promoter Directors</b>	Smt. Manjoo Sardana - Chairperson	1503197
	Smt. Shalini Umesh Chablani	87814
<b>Independent Directors</b>	Sh. Tarsem Singh Lally	Nil
	Shri Ranbir Singh Seehra	Nil
	Smt. Ruby Agarwal	100
	Shri Vikas Uppal	Nil

As on 31st March, 2021, 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 2020-21, four Board meetings were held on 12/06/2020, 14/08/2020, 09/11/2020, and 29/01/2021.



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### **Familiarisation Programme for Independent Directors :-**

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

<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 and the number of Directorships / Committee positions held by them as on 31st March, 2021 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 Committees Positions held in other Indian Public limited Companies		Whether attended last AGM
				Chairman	Member	
Smt. Manjoo Sardana	Non-Executive Chairperson	4	-	-	-	Y
Shri K.K. Sardana	Managing Director	4	2	-	2	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	4	1	2	-	Y
Shri Tarsem Singh Lally	Independent Director	3	-	1	-	Y
Shri Ranbir Singh Sheera	Independent Director	4	5	-	2	Y
Smt. Ruby Agarwal	Independent Director	4	-	-	-	N
Shri Vikas Uppal	Independent Director	4	2	1	1	N
Smt. Shalini Umesh Chablani	Non Executive Director	4	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, 2021 are as under :

Name of Director	Name of other listed entities in which the concerned Director	Category of Directorship
Sh. Ranbir Singh Seehra (DIN: 01572708)	G N A AXLES LIMITED	Whole time Director
Sh. Vikas Uppal (DIN: 00796828)	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:-



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

- (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	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Ruby Agarwal		✓	✓		✓	✓	✓	✓	
Sh. Vikas Uppal	✓	✓	✓	✓		✓	✓	✓	✓
Smt. Shalini Umesh Chablani		✓	✓			✓	✓	✓	

**Note :** Each Director 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 have constituted the following Committees with an adequate delegation of powers :

#### (i) Audit Committee :

The role of Audit Committee covers the areas mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 or other matters as may be referred by the Board of Directors from time to time. These, inter-alia, include to oversee the capital



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

& revenue budget of the Company, oversee the Company's financial reporting process, review with the management the adequacy of internal control system, hold discussions with auditors about the internal control system and scope of audit including observations of the Auditors, review company's financial & risk management policies and review with the management the quarterly, half yearly & annual financial statements before submission to the Board.

The composition of the Audit Committee is given below :

Shri Ranbir Singh Seehra	Independent Director (as Chairman)
Shri Vikas Uppal	Independent Director (as member)
Shri Ruby Agarwal	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	04	04
Shri Vikas Uppal	Independent Director	04	03
Shri Ruby Agarwal	Independent Director	04	04
Shri M.G. Sharma	Executive Director (Fin) & CFO	04	04

### (ii) Corporate Social Responsibility (CSR) Committee :

The CSR Committee has been constituted in consonance with section 135 of The Companies Act, 2013, Schedule VII thereto and the rules made thereunder. The Composition of CSR Committee during F.Y. 2020-21 comprised of Shri K. K. Sardana as its chairman, Shri Vikas Uppal and Smt. Ruby Agarwal 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	04
Shri Ruby Agarwal	Independent Director	04	03

### (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 & Smt. Ruby Agarwal 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, review various measures and 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.





## ANNEXURE 'B' TO THE DIRECTORS' REPORT

Shri Aman Setia, Vice President (Finance) & Company Secretary is the Compliance officer for complying with the requirements of SEBI, Stock Exchanges, 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 received two complaints during the year, from its shareholders, which were immediately redressed.

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	03	03
Shri K.K. Sardana	Managing Director	03	03
Shri Ruby Agarwal	Independent Director	03	03

### (iv) Nomination & Remuneration Committee :

The Board has constituted a Nomination & Remuneration Committee comprising of Shri Ranbir Singh Seehra as the Chairman, Shri Vikas Uppal and Smt. Ruby Agarwal 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	01	01
Shri Vikas Uppal	Independent Director	01	01
Shri Ruby Agarwal	Independent Director	01	01

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

Name	Salary	Commission	Perquisite Value	Retirement Benefits	(Amount in ₹ Lacs)	
					Sitting Fees	Total
Sh. K.K. Sardana	38.97	13.54	8.35	3.54	-	64.40
Sh. M.G. Sharma	20.38	-	1.43	1.34	-	23.15

The remuneration to the Executive Directors is lower in comparison to P.Y. due to the voluntary salary cut taken by them amid Covid-19 pandemic during F.Y. 2020-21.

The company has been paying commission to the Non-Executive Directors @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 as per the necessary approvals / sanctions obtained by way of a special resolution in the Annual General Meeting. Non-Executive Directors are also paid Sitting Fee 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.



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### 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.

### 4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
13/08/2020	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> <li>1. Appointment of Sh. Vikas Uppal as Non-Executive Independent Director.</li> <li>2. Appointment of Smt. Shalini Umesh Chablani as Non-Executive Director.</li> <li>3. Appointment of Sh. Tarsem Singh Lally as Non- Executive Independent Director.</li> <li>4. Resolution for alteration in the Articles of Association (AOA) of the Company.</li> <li>5. To ratify Remuneration of Cost Auditors.</li> </ol>
08/08/2019	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> <li>1. Appointment of Shri K.K. Sardana as the Managing Director of the Company.</li> <li>2. Reappointment of Sh. M.G. Sharma as Executive Director (Fin) &amp; CFO of the Company.</li> <li>3. Appointment of Smt. Manjoo Sardana as Non-Executive Director.</li> <li>4. Appointment of Sh. Ranbir Singh Seehra &amp; Smt. Ruby Agarwal as Non Executive Independent Directors.</li> <li>5. Resolution for approval of the shareholders u/s 180(1)(a).</li> <li>6. To ratify Remuneration of Cost Auditors.</li> </ol>
08/08/2018	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> <li>1. Reappointment of Shri I.K. Sardana as the Managing Director of the Company for five years.</li> <li>2. To ratify Remuneration of Cost Auditors.</li> </ol>

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 6th August, 2021.



## **ANNEXURE 'B' TO THE DIRECTORS' REPORT**

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 as per Point No. 7 of the Notes to Accounts forming part of the Annual Report.

(ii) The Company has duly complied with the guidelines of SEBI, Stock Exchange and / or other Statutory Authorities related to capital market. Hence, there is no penalty 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 there under and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company has formulated its Whistle Blower Policy to establish a Vigil Mechanism for Directors and employees to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance. This policy intends to act as a neutral and unbiased forum for the Directors, employees and its stakeholders.

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

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

### **6. MEANS OF COMMUNICATION :**

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



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### 7. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting : 6th August, 2021 at 10.00 A.M. at the  
Date, Time & Place Registered Office of the Company at  
Phagwara.
- (b) Financial Year : 2020–2021
- (c) Date of Book Closure : 30th July, 2021 to 6th August, 2021
- (d) Listing on Stock Exchange : Bombay Stock Exchange
- (e) Stock Code : 524542 (Listing fee as applicable has been paid)
- (f) CIN : L15321 PB1944 PLC 001925
- (g) Registrars & Share Transfer Agents : The Share Transfers are done by M/s. Skyline  
Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla  
Industrial Area, Phase-1, New Delhi - 110020  
Phone No. (011) 26812682  
E-mail ID : admin@skylinerta.com
- (h) Dematerialization of Shares : The Company's Equity Shares are held in  
dematerialized form on NSDL & CDSL. 1,41,52,980  
shares i.e. 95.89% of equity capital have been  
dematerialized as on 31.03.2021 which include  
94,47,125 shares held by promoters' (100% in  
Demat form) and 47,05,855 shares held by public  
(88.58% held in Demat form).



**ANNEXURE 'B' TO THE DIRECTORS' REPORT**

- (i) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data and likely impact on equity. : The company has not issued any GDRs/ADRs/ warrants or any convertible instruments during the year under reference.
- (j) Unclaimed Shares Demat Suspense Account : In terms of SEBI (LODR) Regulations 2015, the Company reports as under :

	<b>No. of Share Holders</b>	<b>No. of Equity Shares</b>
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	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2021	500	1,28,244

The voting rights on the shares outstanding in the suspense account as on 31st March, 2021 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

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

- (l) Distribution of Shareholding as on 31.3.2021

<b>Category</b>	<b>No. of Shares</b>	<b>Percentage</b>
1. Promoters (including 9,75,890 shares of NRI's)	94,47,125	64.01%
2. Corporate Bodies	2,19,907	1.49%
3. NRIs/FFIs/OCBs	2,62,989	1.78%
4. General Public	48,29,619	32.72%
Total No. of shares	<u>1,47,59,640</u>	<u>100.00%</u>



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

(m) Share Transfer System :

95.89% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards 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 can not 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.

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

(o) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2020-2021 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2020	33887.25	27500.79	170.00	128.00
May, 2020	32845.48	29968.45	163.60	142.60
June, 2020	35706.55	32348.10	190.00	149.00
July, 2020	38617.03	34927.20	177.80	154.05
Aug., 2020	40010.17	36911.23	205.00	152.10
Sept., 2020	39359.51	36495.98	205.00	155.25
Oct., 2020	41048.05	38410.20	198.95	174.35
Nov., 2020	44825.37	39334.92	193.90	175.55
Dec., 2020	47896.97	44118.10	187.70	174.05
Jan., 2021	50184.01	46160.46	209.40	173.25
Feb., 2021	52516.76	46433.65	195.75	177.00
March, 2021	51821.84	48236.35	204.00	175.25



## ANNEXURE 'B' TO THE DIRECTORS' REPORT

### 8. LOCATION OF PLANTS

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

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

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

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

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



**ANNEXURE 'C' TO THE DIRECTORS' REPORT**

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

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) & (ii)		Remuneration of Director/KMP For financial year 2020-21 (Rs. In Lacs)	% increase (% decrease) in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation			
1.	Manjoo Sardana (Chairperson)	4.87	-	4.06
2.	K.K. Sardana (Managing Director)	64.40	(39.56)	53.67
3.	Tarsem Singh Lally (Independent Director)	4.78	-	3.99
4.	Ranbir Singh Seehra (Independent Director)	4.87	-	4.06
5.	Ruby Agarwal (Independent Director)	4.87	-	4.06
6.	Vikas Uppal (Independent Director)	4.87	-	4.06
7.	Shalini Umesh Chablani (Non-Executive Women Director)	4.87	-	4.06
8.	M.G. Sharma (Executive Director (Fin) & CFO)	23.15	(44.07)	19.29
9.	Aman Setia (V.P. (Fin) & Company Secretary)	22.14	(31.83)	N.A.

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

(iii) There were 1260 permanent employees on the rolls of Company as on March 31, 2021.





- (iv) The percentage increase in the median remuneration of employees had been 7.14% during the financial year 2020-21 against 39.21% decrease in the total remuneration of the key Management Personnel (Mg. Director, Executive Director (Fin) & CFO and Company Secretary) due to voluntary salary cut taken by the later amid Covid-19 pandemic during F.Y. 2020-21.

Average percentage increase made in the salaries of employees/workers other than the managerial personnel (KMP) in last financial year i.e. 2019-20 was 8.00% whereas the decrease in the managerial remuneration was around 14.33%.

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

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

S.No.	Name of Employer	Position Held	Gross Remmumeration	Educational Qualification	Experi-ence	Date of Joining	Name of Previous Employer & Designation
1	Sh. Dhiraj Sardana	Sr. V.P & C.E.O (New Projects)	50,68,131	BBA & Diploma in Marketing	24	01/05/2005	Scott Industries Ltd. - Vice President
2	Sh. Bhavdeep Sardana	Sr. V.P & C.E.O (H.P Unit)	50,10,966	B.Sc. (Hons.) Chemistry & MBA	24	01/01/2005	Scott Industries Ltd. - Vice President
3	Sh. Pankaj Sardana	Sr. V.P Operations (Nizamabad Unit)	49,22,876	BBE (Hons.) & M.Sc. (Hons.)	20	01/08/2012	Scott Industries Ltd. - Vice President
4	Sh. Puneet Sardana	Sr. V.P Operations (Malda Unit)	46,41,233	BA (Hons.)	21	01/08/2012	Scott Industries Ltd. - Vice President



## ANNEXURE 'D' TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON THE CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company :

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of the Sukhjit Group to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

Our CSR approach focuses on development of communities around the vicinity of the company. We believe that in the long-term, this is the best way for business to grow.

The Corporate Social Responsibility (CSR) policy of the company, as approved by the Board of Directors, is available on the company's website <https://www.sukhjitgroup.com/csr-policy>

Through its CSR policy, the company is continuously focusing on contributing to the social and economic development of the communities and making a positive difference to society by promoting education among weaker sections of society, by providing infrastructure support, initiatives for physically and mentally challenged people, promoting healthcare, ensuring environmental sustainability and other areas approved by the CSR Committee.

### PROMOTING GIRLS EDUCATION





**ANNEXURE 'D' TO THE DIRECTORS' REPORT**

**ORGANISING HEALTH CARE CAMPS FOR POOR & NEEDY**



**DISTRIBUTION OF RATION TO POOR & NEEDY AMID COVID-19 PENDAMIC**



**TREE PLANTATION & PLANTS DISTRIBUTION FOR ENVIRONMENT SUSTAINABILITY**





## ANNEXURE 'D' TO THE DIRECTORS' REPORT

### 2. Composition of CSR Committee :

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
1.	Sh. K.K. Sardana	Chairman (Managing Director)	4	4
2.	Sh. Vikas Uppal	Member (Independent Director)	4	4
3.	Smt. Ruby Agrawal	Member (Independent Director)	4	3

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	<a href="https://www.sukhjitgroup.com/csr-committee">https://www.sukhjitgroup.com/csr-committee</a>
		CSR Policy	<a href="https://www.sukhjitgroup.com/csr-policy">https://www.sukhjitgroup.com/csr-policy</a>
		CSR projects approved by the Board	<a href="https://www.sukhjitgroup.com/report-on-csr-expenditure">https://www.sukhjitgroup.com/report-on-csr-expenditure</a>

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 for the financial year under review
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### 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.	2019-20	0.42	NIL
2.	2018-19	8.13	NIL
3.	2017-18	2.58	NIL
	<b>TOTAL</b>	<b>11.13</b>	<b>NIL</b>

\*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.



**ANNEXURE 'D' TO THE DIRECTORS' REPORT**

6. Average net profit of the company as per section 135 (5). ₹ 4162.16 lacs

7. (a) Two percent of average net profit of the company as per section 135 (5) ₹ 83.24 lacs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL  
 (c) Amount required to be set off for the financial year, if any NIL  
 (d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 83.24 lacs

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

Total amount spent for the Financial Year (in lacs)	Amount Unspent (in ₹)				
	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
₹ 85.64 lacs	Not Applicable		Not Applicable		

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

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



**ANNEXURE 'D' TO THE DIRECTORS' REPORT**

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Scheme VII to the Act.	(4) Local area (YES/No)	(5) Location of the project		(6) Amount spent in the current financial Year (in lacs)	(7) Mode of Implementation – Direct (Yes/No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
<b>Contribution to the Prime Minister's National Relief Fund</b>									
1.	Prime Minister's National Relief Fund	Clause (viii)	No	New Delhi		11.00	No	Prime Minister's National Relief Fund	–
<b>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.</b>									
1.	Arya Institute of Management & Technology	Clause (ii)	Yes	Punjab Kapurthala		12.50	Yes	–	–
2.	Arya Infotech Society (Regd.)	Clause (ii)	Yes	Punjab Kapurthala		9.50	Yes	–	–
3.	Employment exchanged under "Promoting employment enhancing skills of differently abled & livelihood enhancement Project of CSR"	Clause (ii)	Yes	Punjab Kapurthala		12.27	Yes	–	–
4.	Kamla Nehru College for Women	Clause (ii)	Yes	Punjab Kapurthala		5.00	Yes	–	–
5.	S.D. Kanya Mahavidyala Sr. Sec. School	Clause (ii)	Yes	Punjab Kapurthala		4.00	Yes	–	–



**ANNEXURE 'D' TO THE DIRECTORS' REPORT**

Preventive Health Care, Provision for Food to Poor and Needy People & Environmental Sustainability : Eradicating hunger, poverty & malnutrition, promoting preventive health care, sanitation and environmental sustainability etc.								
1.	Covid-19 (Distribution of PP Kits & Relief Packs)	Clause (i)	Yes	Punjab Kapurthala	2.22	Yes	–	–
2.	Punjab CSR Authority "Winter Warmth Project"	Clause (i)	No	Punjab Chandigarh	2.49	No	Punjab CSR Authority	CSR00004625
3.	Dayawanti Foundation	Clause (i)	Yes	Punjab Kapurthala	6.00	No	Dayawanti Foundation	–
4.	Sri Balaji ArogyaVara Prasadini Scheme	Clause (i)	No	A.P. Chittoor	11.00	No	Sri Balaji ArogyaVara Prasadini Scheme	–
5.	Blood Donors Council (Regd.)	Clause (i) / (iv)	Yes	Punjab Kapurthala	4.91	Yes	–	–
6.	PIMS Medical & Education Charitable Society	Clause (i)	Yes	Punjab Kapurthala	3.00	No	PIMS Medical & Education Charitable Society	CSR00005576

Others : Setting up of homes / hostels for women, orpahns & Setting up old age homes and development of sports etc.								
1.	The United Orphanage for the Disabled	Clause (iii)	No	Tamil Coimbtore Nadu	1.25	No	The United Orphanage for the Disabled	–
2.	Jagjit Wrestling Academy	Clause (vii)	Yes	Punjab Jalandhar	0.50	No	Jagjit Wrestling Academy	–

- (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) ₹ 85.64 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)	83.24
(ii)	Total amount spent for the financial year	85.64
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.40
(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)]	2.40



**ANNEXURE 'D' TO THE DIRECTORS' REPORT**

**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 ₹)	Amount spent in the reporting Financial Year (in ₹)	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 of 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
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Dated : May 31, 2021

Sd/-  
**(K.K. Sardana)**  
Chairman  
CSR Committee  
(Managing Director)

Sd/-  
**(Vikas Uppal)**  
Member  
CSR Committee  
(Independent Director)





**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2021

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 Ph. No. : (01824) 468800, 260314 Email Id : sukhjit@sukhjitgroup.com Website : www.sukhjitgroup.com
vi.	Whether listed company	LISTED
vii.	Name , Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES, D-153A, 1ST FLOOR, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110020

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

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

**III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

S.No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	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)



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2020)				No. of Shares held at the end of the year (31.03.2021)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(1) Indian	84,25,711	-	84,25,711	57.09	84,62,061	-	84,62,061	57.33	36,350	0.25
a) Individual/HUF										
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										
<b>SUB TOTAL:(A) (1)</b>	<b>84,34,885</b>	<b>-</b>	<b>84,34,885</b>	<b>57.15</b>	<b>84,71,235</b>	<b>-</b>	<b>84,71,235</b>	<b>57.39</b>	<b>36,350</b>	<b>0.25</b>
(2) Foreign										
a) NRI- Individuals	9,75,890	-	9,75,890	6.61	9,75,890	-	9,75,890	6.61	-	-
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
<b>SUB TOTAL (A) (2)</b>	<b>9,75,890</b>	<b>-</b>	<b>9,75,890</b>	<b>6.61</b>	<b>9,75,890</b>	<b>-</b>	<b>9,75,890</b>	<b>6.61</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>94,10,775</b>	<b>-</b>	<b>94,10,775</b>	<b>63.76</b>	<b>94,47,125</b>	<b>-</b>	<b>94,47,125</b>	<b>64.01</b>	<b>36,350</b>	<b>0.25</b>
<b>B. PUBLIC SHAREHOLDING</b>										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	55	-	55	-	-	-	-	-	(55)	-
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)	2,100	-	2,100	0.01	-	-	-	-	(2,100)	(0.01)
<b>SUB TOTAL (B)(1):</b>	<b>2,155</b>	<b>-</b>	<b>2,155</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,155)</b>	<b>(0)</b>
(2) Non Institutions										
a) Bodies corporates										
i) Indian	2,84,722	144	2,84,866	1.93	219,763	144	2,19,907	1.49	(64,959)	(0.44)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	20,53,925	5,51,030	26,04,955	17.65	21,24,789	4,67,472	25,92,261	17.56	(12694)	(0.09)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	16,22,074	1,40,282	17,62,356	11.94	16,96,774	1,12,233	18,09,007	12.26	46,651	0.32
c) Others (specify)	6,88,347	6,186	6,94,533	4.71	6,85,420	5,920	6,91,340	4.68	(3,193)	(0.02)
<b>SUB TOTAL (B)(2):</b>	<b>46,49,068</b>	<b>6,97,642</b>	<b>53,46,710</b>	<b>36.23</b>	<b>47,26,746</b>	<b>5,85,769</b>	<b>53,12,515</b>	<b>35.99</b>	<b>(34,195)</b>	<b>(0.23)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>46,51,223</b>	<b>6,97,642</b>	<b>53,48,865</b>	<b>36.24</b>	<b>47,26,746</b>	<b>5,85,769</b>	<b>53,12,515</b>	<b>35.99</b>	<b>(36,350)</b>	<b>(0.25)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										
<b>Grand Total (A+B+C)</b>	<b>1,40,61,998</b>	<b>6,97,642</b>	<b>1,47,59,640</b>	<b>100</b>	<b>1,41,73,871</b>	<b>5,85,769</b>	<b>1,47,59,640</b>	<b>100</b>	<b>-</b>	<b>-</b>



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

**(V) SHARE HOLDING OF PROMOTERS**

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2020)			Shareholding at the end of the year (31.03.2021)			% 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	1484947	10.06	0	1503197	10.18	0	0.12
2	KULDIP KRISHAN SARDANA	1319909	8.94	0	1337709	9.06	0	0.12
3	DHIRAJ SARDANA	871362	5.90	0	871362	5.90	0	0.00
4	PANKAJ SARDANA	867194	5.88	0	867194	5.88	0	0.00
5	BHAVDEEP SARDANA	865782	5.87	0	865782	5.87	0	0.00
6	PUNEET SARDANA	863816	5.85	0	863816	5.85	0	0.00
7	KULDIP KRISHAN SARDANA HUF	286968	1.94	0	286968	1.94	0	0.00
8	SUMAN SARDANA	271588	1.84	0	271588	1.84	0	0.00
9	INDER KRISHAN SARDANA HUF	268731	1.82	0	268731	1.82	0	0.00
10	MEENAXI GADI	241376	1.64	0	241376	1.64	0	0.00
11	NANDINI KAUSHIK	218372	1.48	0	218372	1.48	0	0.00
12	NAVIN SARDANA	96172	0.65	0	96172	0.65	0	0.00
13	SURENDRA NATH GADI	94216	0.64	0	94216	0.64	0	0.00
14	NALINI KALRA	88422	0.60	0	88422	0.60	0	0.00
15	SHALINI UMESH CHABLANI	87514	0.59	0	87814	0.59	0	0.00
16	ASHOK SARDANA	85800	0.58	0	85800	0.58	0	0.00
17	PRABHA GROVER	85664	0.58	0	85664	0.58	0	0.00
18	VERINDER KUMAR SARDANA	64184	0.43	0	64184	0.43	0	0.00
19	NANDINI OBEROI	47012	0.32	0	47012	0.32	0	0.00
20	PADMINI MONGIA	45952	0.31	0	45952	0.31	0	0.00



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

21	SONIA MONGIA ADHIKARI	44832	0.30	0	44832	0.30	0	0.00
22	RADHIKA MONGIA	44200	0.30	0	44200	0.30	0	0.00
23	DIPTI SARDANA	15582	0.11	0	15582	0.11	0	0.00
24	SONA SARDANA	12938	0.09	0	12938	0.09	0	0.00
25	DIPIKA SARDANA	11000	0.07	0	11000	0.07	0	0.00
26	UDAY PRATAP SARDANA	9080	0.06	0	9080	0.06	0	0.00
27	NIDHI SARDANA	8197	0.06	0	8197	0.06	0	0.00
28	DIVYA SARDANA	7981	0.05	0	7981	0.05	0	0.00
29	VEER PRATAP SARDANA	6720	0.05	0	6720	0.05	0	0.00
30	KABIR SARDANA	4800	0.03	0	4800	0.03	0	0.00
31	NIKHIL SARDANA	4800	0.03	0	4800	0.03	0	0.00
32	ROHIT GROVER	600	0.00	0	600	0.00	0	0.00
		<b>8425711</b>	<b>57.09</b>		<b>8462061</b>	<b>57.33</b>	<b>0</b>	<b>0.25</b>
<b>BODIES CORPORATES</b>								
1	SUKHMANI VENTURES PRIVATE LIMITED	9174	0.06	0	9174	0.06	0	0.00
		<b>9174</b>	<b>0.06</b>	<b>0</b>	<b>9174</b>	<b>0.06</b>	<b>0</b>	<b>0.00</b>
<b>INDIVIDUALS/NON-RESIDENTS/FOREIGN</b>								
1	NARESH SARDANA	171792	1.16	0	171792	1.16	0	0.00
2	ROHINI SARDANA	121096	0.82	0	121096	0.82	0	0.00
3	RAVI CHOWDHRY	597362	4.05	0	597362	4.05	0	0.00
4	RATI LOHTIA	43136	0.29	0	43136	0.29	0	0.00
5	RITU LOHTIA	42504	0.29	0	42504	0.29	0	0.00
		<b>975890</b>	<b>6.61</b>	<b>0</b>	<b>975890</b>	<b>6.61</b>	<b>0</b>	<b>0.00</b>
	<b>Total</b>	<b>9410775</b>	<b>63.76</b>		<b>9447125</b>	<b>64.01</b>	<b>0</b>	<b>0.25</b>



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2020) /End of year (31.03.2021)		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	1484947	10.06	01.04.2020				
				31.12.2020	450	Transfer	1485397	10.06
				05.03.2021	4000	Transfer	1489397	10.09
				12.03.2021	7500	Transfer	1496897	10.14
				19.03.2021	3800	Transfer	1500697	10.17
				31.03.2021	2500	Transfer	1503197	10.18
		<b>1484947</b>	<b>10.06</b>	<b>31.03.2021</b>			<b>1503197</b>	<b>10.18</b>
2	Kuldip Krishan Sardana	1319909	8.94	01.04.2020				
				05.03.2021	4000	Transfer	1323909	8.97
				12.03.2021	7500	Transfer	1331409	9.02
				19.03.2021	3800	Transfer	1335209	9.05
				31.03.2021	2500	Transfer	1337709	9.06
		<b>1337709</b>	<b>9.06</b>	<b>31.03.2021</b>			<b>1337709</b>	<b>9.06</b>
3	Shalini Umesh Chablani	87514	0.59	01.04.2020				
				26.03.2021	300	Transfer	87814	0.59
		<b>87814</b>	<b>0.59</b>	<b>31.03.2021</b>			<b>87814</b>	<b>0.59</b>

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



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2020) / End of year (31.03.2021)		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 Sindhvani	225040	1.52	01.04.2020				
						No Change		
		<b>225040</b>	<b>1.52</b>	<b>31.03.2021</b>			<b>225040</b>	<b>1.52</b>
2	Manoj Kumar Agarwal	86868	0.59	01.04.2020				
						No Change		
		<b>86868</b>	<b>0.59</b>	<b>31.03.2021</b>			<b>86868</b>	<b>0.59</b>
3	Anuradha Agarwal	76017	0.52	01.04.2020				
						No Change		
		<b>76017</b>	<b>0.52</b>	<b>31.03.2021</b>			<b>76017</b>	<b>0.52</b>
4	Ajay Chandra Agarwal	74200	0.50	01.04.2020				
						No Change		
		<b>74200</b>	<b>0.50</b>	<b>31.03.2021</b>			<b>74200</b>	<b>0.50</b>
5	Satish Chandra Jindal	70440	0.48	01.04.2020				
						No Change		
		<b>70440</b>	<b>0.48</b>	<b>31.03.2021</b>			<b>70440</b>	<b>0.48</b>
6	Sangeetha S	61900	0.42	01.04.2020				
						No Change		
		<b>61900</b>	<b>0.42</b>	<b>31.03.2021</b>			<b>61900</b>	<b>0.42</b>
7	Asshray Agarwal	60218	0.41	01.04.2020				
						No Change		
		<b>60218</b>	<b>0.41</b>	<b>31.03.2021</b>			<b>60218</b>	<b>0.41</b>
8	Satpal Manktala	-	-	01.04.2020				
				10.07.2020	53612	Transfer	53612	0.36
		<b>53612</b>	<b>0.36</b>	<b>31.03.2021</b>			<b>53612</b>	<b>0.36</b>
9	Seetha Kumari	53448	0.36	01.04.2020				
						No Change		
		<b>53448</b>	<b>0.36</b>	<b>31.03.2021</b>			<b>53448</b>	<b>0.36</b>
10	Trilok Nath Sidhwani	53400	0.36	01.04.2020				
						No Change		
		<b>53400</b>	<b>0.36</b>	<b>31.03.2021</b>			<b>53400</b>	<b>0.36</b>



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

**(VIII) SHAREHOLDING OF DIRECTORS & KMP**

S.No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2020) / End of year (31.03.2021)		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 (Non-Executive Chairperson)	1484947	10.06	01.04.2020				
				31.12.2020	450	Transfer	1485397	10.06
				05.03.2021	4000	Transfer	1489397	10.09
				12.03.2021	7500	Transfer	1496897	10.14
				19.03.2021	3800	Transfer	1500697	10.17
				31.03.2021	2500	Transfer	1503197	10.18
		<b>1503197</b>	<b>10.18</b>	<b>31.03.2021</b>			<b>1503197</b>	<b>10.18</b>
2	Kuldip Krishan Sardana (Managing Director)	1319909	8.94	01.04.2020				
				05.03.2021	4000	Transfer	1323909	8.97
				12.03.2021	7500	Transfer	1331409	9.02
				19.03.2021	3800	Transfer	1335209	9.05
				31.03.2021	2500	Transfer	1337709	9.06
				<b>1337709</b>	<b>9.06</b>	<b>31.03.2021</b>		
3	Tarsem Singh Lally (Independent Director)	-	-	01.04.2020		No Change		
		-	-	<b>31.03.2021</b>			-	-
4	Ranbir Singh Seehra (Independent Director)	-	-	01.04.2020		No Change		
		-	-	<b>31.03.2021</b>			-	-
5	Ruby Agarwal (Independent Director)	100	0.00	01.04.2020		No Change		
		<b>100</b>	<b>0.00</b>	<b>31.03.2021</b>			<b>100</b>	<b>0.00</b>
6	Vikas Uppal (Independent Director)	-	-	01.04.2020		No Change		
		-	-	<b>31.03.2021</b>			-	-
7	Shalini Umesh Chablani (Non- Executive Director)	87514	0.59	01.04.2020				
				26.03.2021	300	Transfer	87814	0.59
		<b>87814</b>	<b>0.59</b>	<b>31.03.2021</b>			<b>87814</b>	<b>0.59</b>
8	M G Sharma (Executive Director (Fin) & CFO)	120	0.00	01.04.2020		No Change		
		<b>120</b>	<b>0.00</b>	<b>31.03.2021</b>			<b>120</b>	<b>0.00</b>
9	Aman Setia (Vice President Finance & Company Secretary)	-	-	01.04.2020		No Change		
		-	-	<b>31.03.2021</b>			-	-



**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

**IX. INDEBTEDNESS**

(in lacs)

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

	Secured Loans excluding deposits	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>			
i) Principal Amount	23,295.34	5,908.37	29,203.71
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	344.41	344.41
<b>Total (i+ii+iii)</b>	23,295.34	6,252.78	29,548.12
<b>Change in Indebtedness during the financial year</b>			
Additions	-	674.88	674.88
Reduction	(4,165.57)	-	(4,165.57)
<b>Net Change</b>	(4,165.57)	674.88	(3,490.69)
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount	19,129.77	6,927.66	26,057.43
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	392.43	392.43
<b>Total (i+ii+iii)</b>	19,129.77	7,320.09	26,449.86

**X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	<b>Gross Salary</b>	Sh. K.K. Sardana	Sh. M.G. Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	38.97	20.38	59.35
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	8.35	1.43	9.78
2	Commission	13.54	-	13.54
3	Others (Retirement Benefits)	3.54	1.34	4.88
	<b>Total (A)</b>	<b>64.40</b>	<b>23.15</b>	<b>87.55</b>
	<b>Ceiling as per the Act</b>			274.79





**ANNEXURE 'E' TO THE DIRECTORS' REPORT**

**B. REMUNERATION TO OTHER DIRECTORS :**

S.No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Sh. Tarsem Singh Lally	Sh. Ranbir Singh Seehra	Sh. Vikas Uppal	Smt. Ruby Agarwal	
	(a) Fee for attending board / committee meetings	0.27	0.36	0.36	0.36	1.35
	(b) Commission	4.52	4.51	4.51	4.51	18.05
	<b>Total (1)</b>	<b>4.79</b>	<b>4.87</b>	<b>4.87</b>	<b>4.87</b>	<b>19.40</b>
2	Other Non Executive Directors	Smt. Manjoo Sardana		Smt. Shalini Umesh Chablani		
	(a) Fee for attending board / committee meetings	0.36		0.36		0.72
	(b) Commission	4.51		4.51		9.02
	<b>Total (2)</b>	<b>4.87</b>		<b>4.87</b>		<b>9.74</b>
	<b>Total (B)=(1+2)</b>					<b>29.14</b>
	Total Managerial Remuneration excl. Sitting fees					27.07
	<b>Overall Ceiling as per the Act.</b>					<b>27.48</b>

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

S.No.	Particulars of Remuneration	Key Managerial Personnel
1	<b>Gross Salary</b>	<b>Company Secretary</b>
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	19.67
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-
2	Others ( Retirement Benefits)	2.47
	<b>Total</b>	<b>22.14</b>

**XI. 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 continues with its on-going process to conserve / save energy by installing / optimising some key equipments where feasible, after necessary technical appraisal and energy audit and inter-alia comprise :

- Re-cycling and using its treated process water in two of its units resulting in reduction of power load for withdrawal of ground water with due conservation of water resources.
- Trials are being conducted to use biological culture in place of extensive aeration at ETP to reduce the energy consumption at aeration stage which used to be the major consumer of electricity.
- Installation of Energy efficient LED lights in all units for energy conservation.
- Installation of Power Factor Control Panels at frequent fluctuating load areas for maintaining power quality & minimizing associated losses.
- Rain water harvesting at all plants.
- Provision of day light installations at all workplaces.

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

Steps are already afoot for generating power from the agricultural waste. Company is considering various steps for utilizing alternate sources of energy like generating power from Bio fuel gas / solar. The Company is already producing Bio fuel gas from its effluent waste, which is being used for drying some of its products and partly for generating steam thereby replacing use of furnace oil and coal and reducing carbon foot print. Company is using Co-gen facility to generate steam & power from agricultural waste at one of its units & one more such facility is under commissioning at our second unit located in other State.

###### **(c) The capital investment on energy conservation equipments:**

During the year, the Company has made capital Investment of ₹ 66.85 lacs, on account of energy conservation equipments.

##### **Technology Absorption**

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

##### **Research & Development**

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

##### **Expenditure on R & D**

The Company has spent about ₹ 70.30 lacs during the year under reference (₹ 69.60 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 ₹ 263.03 lacs (₹ 132.14 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 297.86 lacs (₹ 3,629.35 lacs during previous year), Spare parts, components and consumables of ₹ 19.96 lacs (₹ 5.02 lacs during previous year) and Nil Raw Material (₹ 566.85 lacs during previous year) on a C.I.F. basis and had remittance on foreign traveling ₹ Nil (₹ 0.38 lacs during previous year).



## ANNEXURE 'G' 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 2020-2021 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. Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents, records and also by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
8. 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 : F003462C000398780

Place : Jalandhar  
Dated : 31st May, 2021



**ANNEXURE 'G' TO THE DIRECTORS' REPORT**

**FORM No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
*For the Financial Year Ended March 31, 2021*

[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, 2021 ("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, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
  - (a) The Securities and Exchange Board of India (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; (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);



## ANNEXURE 'G' TO THE DIRECTORS' REPORT

- (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.

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 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)  
M.No. 3462, COP No. : 1947  
UDIN : F003462C000398780

Place : Jalandhar  
Dated : 31st May, 2021



## 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 2020-2021 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. Some of the books and papers were verified through online means due to the prevailing lockdown (COVID-19) and due efforts have been made by the Company to make available all the relevant documents and records and also by the Auditors to conduct and complete the audit in aforesaid lockdown conditions.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
8. 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)  
M.No. 3462, COP No. : 1947  
UDIN : F003462C000389694

Place : Jalandhar  
Dated : 29th May, 2021



**SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY**

FORM No. MR-3  
**SECRETARIAL AUDIT REPORT**  
*For the Financial Year Ended March 31, 2021*

[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, 2021 ('**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, 2021 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; **(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') :
  - (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, 2009; **(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);**



## SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY

- (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. There was no change in the composition of the Board of Directors during the period under review. 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.

We further report that during the period under audit, the following specific event/action, having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

The Company became the material subsidiary of The Sukhjit Starch and Chemicals Limited, a listed company pursuant to the provisions of the Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Dinesh Gupta & Co.  
Company Secretaries

Sd/-

(Dinesh Gupta)

M.No. 3462, COP No. : 1947

UDIN : F003462C000389694

Place : Jalandhar

Dated : 29th May, 2021





## 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  
Phagwara.

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](http://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, 2021 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	NON-EXECUTIVE INDEPENDENT DIRECTOR	00381009	13/08/2020
5	S. RANBIR SINGH SEEHRA	NON-EXECUTIVE INDEPENDENT DIRECTOR	01572708	01/04/2019
6	Smt. RUBY AGRAWAL	NON-EXECUTIVE INDEPENDENT DIRECTOR	08417902	01/04/2019
7	Sh. VIKAS UPPAL	NON - EXECUTIVE 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 : 31st May, 2021  
Place : Jalandhar

M. No. F3462; COP No. 1947  
UDIN: F003462C000398681



**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, 2021.

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

Sd/-

**(K.K. SARDANA)**  
Managing Director

Place : Phagwara  
Dated : 31st May, 2021

**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, 2021 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, 2021, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Stake holder's Relationship / Grievance Committee.

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

**FOR VSAP & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

Place : Phagwara  
Dated : 31st May, 2021



**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, 2021 and to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
  - (i) that there are no significant changes in internal control over financial reporting during the year;
  - (ii) that there are no significant changes in accounting policies during the year; and
  - (iii) that there are no instances of significant fraud of which we have become aware of.

Sd/-

**(K.K. Sardana)**

Managing Director

Sd/-

**(M.G. Sharma)**

Chief Financial Officer

Place : Phagwara.

Dated : 31st May, 2021



## 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, 2021, 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, 2021, 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 of most significance in our audit of the standalone financial statements of the current period. 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.

<b>Key Audit Matters</b>	<b>Auditor's Response</b>
<b>Revenue recognition</b>	
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".	Our audit procedures selected a sample of sales contracts/ sales orders, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price; Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and



## INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
	<p>assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p> <p>We have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and accounting standards.</p>
<b>Property Plant and Equipment (PPE)</b>	
<p>The Company has commissioned its new manufacturing facility with 600 TPD grinding capacity in Punjab. The project has been capitalized and depreciation has been claimed on addition in Property Plant and Equipment (PPEs). Any inappropriate timing of capitalization of the project and/or classification of categories of items of PPE may result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.</p>	<p>Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation. We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories of PPEs with the necessary apportionment of the pre-operative expenses etc. for capitalization.</p>
<b>Receivables and its ageing</b>	
<p>Receivables has been considered a key audit matter due to element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balances due to occurrence of COVID-19 pandemic and its disruption in business.</p>	<p>We have evaluated the nature of customers and obtained the understanding from management about whether any impact on those customer's business of COVID-19 pandemic.</p> <p>We have also assessed the ageing of trade receivables and advances, the customer's payment pattern. We found that inspite of an overall impact on the economic scenario, the Company has been able to keep the receivables of the Company at a reasonable level with timely receipt of the sale proceeds. Further, we have found that receivables are fairly recoverable &amp; appropriate provision has been made where found necessary.</p>
<b>Impact of COVID-19</b>	
<p>As there are significant judgements involved in the assessment of whether the assumptions made regarding the duration and the impact of the Covid-19 pandemic on the company on various fronts, the uncertainties related to COVID-19 are considered a key audit matter.</p>	<p>We critically evaluated the management's assessment on the impact of COVID-19 on the Company on :</p> <ol style="list-style-type: none"> <li>1. The operationalization of its new manufacturing facilities.</li> <li>2. General operations of the Company.</li> <li>3. In meeting its financial commitments.</li> </ol> <p>- During our evaluation, it was found that the operationalization of the new manufacturing facility of the Company got delayed by around 6 months due to the Nationwide Lockdown / Curfew amid COVID and various other factors beyond Company's control. The business operations of the Company also</p>



## INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
	<p>got disrupted during the first two quarters of FY21. However, the company had a fair come back in the second half of FY21 after relaxations in the lockdown by the Government. It is really appreciable that the company has remained prompt in meeting all its financial commitments including the timely repayments of term loans / serving of periodic interest etc.</p> <ul style="list-style-type: none"> <li>- We also evaluated management's assessment of COVID-19 related risks for the company's businesses and financial resources compared with our own understanding of these risks. We considered management's plans to mitigate these risks.</li> <li>- We also evaluated the assumptions in respect of available projected future forecasts made by management for reasonableness based on the current market conditions and developments within the company.</li> </ul>

### **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, Business Responsibility 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.



## **INDEPENDENT AUDITORS' REPORT**

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.

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.



## **INDEPENDENT AUDITORS' REPORT**

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, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We 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 :
  1. 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;
  2. 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.
  3. 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.
  4. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  5. On the basis of the written representations received from the directors as on March 31, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
  6. 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".
  7. In our opinion, the managerial remuneration for the year ended March 31, 2021 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
  8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**FOR VSAP & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

UDIN. 21507087AAAAEQ6836

Place : Phagwara

Dated : 31st May, 2021





## **INDEPENDENT AUDITORS' REPORT**

### **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 2021, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
(c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
3. In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
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. The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any outstanding dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material Statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.



## INDEPENDENT AUDITORS' REPORT

- (b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :
- ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The Company does not find any substance in the demand, as it has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Ludhiana.
  - Other items related to a demand of ₹ 0.53 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
  - ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company does not have any borrowings from debenture holders.
9. The term loans have been applied for the purpose for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

Place : Phagwara.

Dated : 31st May, 2021



## **INDEPENDENT AUDITORS' REPORT**

### **ANNEXURE B TO THE AUDITORS' REPORT :**

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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



## INDEPENDENT AUDITORS' REPORT

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Phagwara.  
Dated : 31st May, 2021



**BALANCE SHEET AS ON 31ST MARCH, 2021**

	NOTE	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	35,317.59	20887.69
(b) Right to use Asset	3	334.41	342.52
(c) Capital Work-in-progress	4	6,682.24	18,055.71
(d) Investment Property	5	2,035.36	2,034.19
(e) Other Intangible Assets	3	4.53	6.97
(f) Financial Assets - Investments	6	3,852.66	3,852.66
(g) Other Non Current Assets	7	268.77	286.15
		<u>48,495.56</u>	<u>45,465.89</u>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	8	10,085.15	15,210.11
(b) Financial Assets			
(i) Investments	9	869.10	1,087.55
(ii) Trade Receivables	10	6,238.97	5,470.95
(iii) Cash & Cash Equivalents	11	123.35	171.39
(iv) Bank Balance other than (iii)	12	1,052.31	1,050.43
(v) Other Financial Assets	13	3,365.07	1,980.59
(c) Income Tax Asset (net)	14	176.69	256.06
(d) Other Current Assets	15	220.59	198.51
		<u>22,131.23</u>	<u>25,425.59</u>
	<b>TOTAL</b>	<u><u>70,626.79</u></u>	<u><u>70,891.48</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	16	1,475.96	1,475.96
(b) Other Equity	17	32,567.41	30,589.33
		<u>34,043.37</u>	<u>32,065.29</u>
<b>2. LIABILITIES</b>			
<b>(A) NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities - Borrowings	18	15,449.23	15,988.37
(b) Lease Liability	19	375.24	362.25
(c) Deferred Tax Liabilities (Net)	20	2,259.55	2,113.84
(d) Other Non Current Liabilities	21	2,637.15	2,152.59
		<u>20,721.17</u>	<u>20,617.05</u>
<b>(B) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	8598.61	11,743.34
(ii) Trade Payable			
- Micro, Small & Medium Enterprises	23	325.63	153.68
- Others	23	3,785.51	3,968.73
(b) Other Current Liabilities	24	3,152.50	2,343.39
		<u>15,862.25</u>	<u>18,209.14</u>
	<b>TOTAL</b>	<u><u>70,626.79</u></u>	<u><u>70,891.48</u></u>

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS

MANJOO SARDANA
TARSEM SINGH LALLY
RANBIR SINGH SEEHRA
VIKAS UPPAL



**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)
1. Revenue From Operations	25	69,853.21	79,726.85
2. Other Income	26	425.31	797.66
3. <b>Total Revenue</b>		<u>70,278.52</u>	<u>80,524.51</u>
4. Expenses :			
Cost of Materials Consumed	27	47,802.14	60,606.86
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	28	(154.73)	(2,236.05)
Employee Benefits Expenses	29	4,198.69	4,330.34
Financial Costs	30	2,057.99	1,816.33
Depreciation and Amortisation Exp.	3	1,772.09	1,334.79
Other Expenses	31	11,575.88	11,368.86
<b>Total Expenses</b>		<u>67,252.06</u>	<u>77,221.12</u>
5. <b>Profit Before Tax (3-4)</b>		<b>3,026.46</b>	3,303.39
6. Tax Expense :			
- Current Tax	625.00		855.00
- Deferred Tax	140.00		(940.00)
- Taxes Relating to Previous Year	—		38.14
		<b>765.00</b>	(46.86)
7. <b>Profit for the year (5-6)</b>		<b>2,261.46</b>	3,350.25
8. <b>Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		(9.61)	(4.11)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		2.42	1.03
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		32.31	27.88
(b) Income tax relating to items that will be reclassified to Profit & Loss		(8.13)	(6.74)
9. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)		<b>2278.45</b>	3,368.31
10. <b>Earning per equity share :</b>			
(a) Basic		15.32	22.70
(b) Diluted		15.32	22.70

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

As per our separate report of even date  
For VSAP & Associates  
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Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS

MANJOO SARDANA
TARSEM SINGH LALLY
RANBIR SINGH SEEHRA
VIKAS UPPAL



**STATEMENT OF CHANGE IN EQUITY**

(₹ In lacs)

	Reserve and Surplus				Total
	Capital Subsidy	General Reserve	Retained Earnings	Other Comprehensive Income	
<b>AS ON 31 MARCH 2020</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2019	417.67	24,246.35	2,561.07	197.69	27,422.78
Profit for the year			3,350.25		3,350.25
Other Comprehensive Income				9.54	9.54
Transfer to General Reserve		2,500.00	(2,500.00)		-
OCI reclassified to P&L				(193.24)	(193.24)
Balance at the end of the reporting period i.e. 31st March, 2020	<b>417.67</b>	<b>26,746.35</b>	<b>3,411.32</b>	<b>13.99</b>	<b>30,589.33</b>
<b>AS ON 31 MARCH 2021</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2020	417.67	26,746.35	3,411.32	13.99	30,589.33
Profit for the year			2,261.46		2,261.46
Other Comprehensive Income				5.39	5.39
Dividends			(295.19)		(295.19)
Transfer to General Reserve		2,500.00	(2,500.00)		-
OCI reclassified to P&L				6.42	6.42
Balance at the end of the reporting period i.e. 31st March, 2021	<b>417.67</b>	<b>29,246.35</b>	<b>2,877.59</b>	<b>25.80</b>	<b>32,567.41</b>



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	For the Year Ended 31st March, 2021 (₹ Lacs)	For the Year Ended 31st March, 2020 (₹ Lacs)
<b>FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	3,026.46	3,303.39
<b>ADJUSTMENTS FOR NON-CASH ITEMS</b>		
Depreciation	1,772.09	1,334.79
Provision	(22.64)	20.27
<b>ADJUSTMENTS FOR NON-OPERATING ACTIVITIES</b>		
Interest received	(97.88)	(153.03)
Interest paid	1,980.39	1,739.67
(Profit) Loss on sale of investments/assets	<u>(321.21)</u>	<u>(636.29)</u>
<b>FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL</b>	<b>6,337.21</b>	<b>5,608.80</b>
<b>CHANGES IN WORKING CAPITAL</b>		
Trade and other receivables	(2,151.96)	(521.21)
Inventories	5,124.96	(9,885.75)
Trade Payables	(11.26)	1,224.25
Other Liabilities	275.13	(296.23)
<b>NET FLOWS FROM OPERATING ACTIVITIES</b>	<u>9,574.08</u>	<u>(3,870.14)</u>
Net Direct Taxes Paid	<u>(543.93)</u>	<u>(1,241.71)</u>
<b>NET FLOWS FROM OPERATING ACTIVITIES</b>	<b>9,030.16</b>	<b>(5,111.85)</b>
<b>FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(4,845.50)	(12,231.86)
Sale of Investments/Assets	348.75	696.99
Other Investments	266.96	4,094.36
Interest received	<u>97.88</u>	<u>153.03</u>
<b>NET FLOWS FROM INVESTING ACTIVITIES</b>	<b>(4,131.91)</b>	<b>(7,287.48)</b>
<b>FLOWS FROM FINANCING ACTIVITIES</b>		
Loans raised for working capital	(3,144.73)	7,883.68
Term Loans raised	448.00	5,708.00
Repayment of Term Loan	(1,468.84)	-
Other Loans raised	1,516.83	713.21
Dividends paid	(298.83)	(9.92)
Lease Liability	(16.45)	(15.29)
Interest paid	<u>(1,980.39)</u>	<u>(1,739.67)</u>
<b>NET FLOWS FROM FINANCING ACTIVITIES</b>	<b>(4,944.41)</b>	<b>12,540.01</b>
Net Cash Flows during the year	<b>(46.16)</b>	<b>140.68</b>
Cash & cash equivalents at the beginning of the year	<b>1,221.82</b>	<b>1,081.14</b>
Cash & cash equivalents at the end of the year	<b>1,175.66</b>	<b>1,221.82</b>

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS [ MANJOO SARDANA  
TARSEM SINGH LALLY  
RANBIR SINGH SEEHRA  
VIKAS UPPAL





## NOTES

Forming part of the standalone financial statements for the year ended 31st March, 2021.

### 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). The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors on 31st May, 2021.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

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

#### (b) Basis of preparation of Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule-III (revised) as applicable under Section 133 of the Companies Act, 2013 read with 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.

#### (c) Property, Plant and Equipment

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

- (i) 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. Such Costs also include borrowing cost if the recognition criteria are met.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other 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 which is different from the one specified in Schedule II to the Companies Act, 2013 : Buildings - 3 to 60 years, Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.



**(d) Intangible Assets**

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

**(e) Investments**

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

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

**(f) Investment Property**

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

**(g) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.

**(h) Inventories**

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

**(i) Cash and Cash Equivalents**

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

**(j) Income Tax and Deferred Tax**

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

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

Pursuant to the Taxation (Amendment) Ordinance, 2019 issued by Ministry of Law and Justice on 20th September 2019 which is effective w.e.f. 1st April 2019, the company has opted to pay corporate income tax @ 22% plus applicable surcharge & cess. The deferred tax liability/ asset has also been re-measured accordingly.



**(k) Lease assets**

The Company has adopted Ind AS 116 'Leases' effective April 01, 2019 and applied the same to its Leases using the 'Modified Retrospective Approach'. The Company has not restated comparative information for previous year.

During the year, the company has recognized Right-Of-Use Asset (ROU Asset) held under a lease under the Property Plant & Equipment as Land. The total cost of this ROU Asset has been measured as present value of the future lease payments by discounting total lease payment with interest rate implicit in the lease using the 'Modified Retrospective Approach'. Instead of claiming actual lease payment expense, the composite present value of ROU Asset will be depreciated at straight line and interest cost for corresponding lease liability, in line with the accounting treatment required by IndAS116. 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.

**(l) Use of Estimates**

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

**(m) Recognition of Income and Expenses**

- (i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized are net of GST and net of rebate & discount, where applicable.
- (ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.
- (iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.
- (iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- (v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

**(n) Government subsidy / Grants**

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

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

**(o) Employee Benefits**

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



- (ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.
  - (iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust and charged to the profit and loss account / other comprehensive income of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis
- (p) Research and Development Expenditure**  
Revenue expenditure on research and development are charged off as and when incurred. However, the capital expenditure is considered as a part of the fixed assets and depreciated on the same basis as other fixed assets.
- (q) Foreign Currency Transaction**  
The company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions which remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or the exchange rates prevailing at the end of the accounting year.  
Any income or expenditure on account of exchange difference (on transaction) is recognized in the profit and loss account except Long term liabilities relating to acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the assets.
- (r) Impairment**  
Impairment loss, if any, is provided, by making provision in the books of accounts, to the extent carrying cost of an asset exceeds its realizable value.
- (s) Borrowing Cost**  
Borrowings cost related to specific borrowings for acquisition / construction / 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.
- (t) Provisions, Contingent Liability and Contingent Assets**  
Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal / court for which no reliable estimate can be made and / or involves uncertainty of the outcome of the amount of the obligation are not provided for in accounts but disclosed in notes to accounts.
- (u) Earnings Per Share**  
For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.  
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares (if any).



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

Amount (₹ Lacs)

FIXED ASSETS AS ON 31ST MARCH, 2021

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL ASSETS	PREVIOUS YEAR	
	LAND	RIGHT TO USE ASSET (LAND)	BUILDING & FIXTURE	FURNITURE & MACHINERY	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS			INTANGIBLE ASSETS (COMPUTER SOFTWARE)
<b>COST</b>											
Cost as on 01.04.2020	1,356.05	352.24	8,020.42	302.85	24,657.56	1,143.07	414.29	36,246.48	41.63	36,288.11	35,083.49
Additions	-	-	5,499.36	217.58	9,809.53	692.50	--	16,218.97	-	16,218.97	1,284.74
Sale/Adjustments	-	-	--	--	32.49	--	--	32.49	-	32.49	80.12
Total as on 31.03.2021	1,356.05	352.24	13,519.78	520.43	34,434.60	1,835.57	414.29	52,432.96	41.63	52,474.59	36,288.11
<b>DEPRECIATION</b>											
Upto 31.03.2020	-	9.72	3,829.96	261.18	9,629.16	905.73	380.52	15,016.27	34.66	15,050.93	13,735.57
For the Year	-	8.11	542.94	16.83	1,073.90	115.80	12.07	1,769.65	2.44	1,772.09	1,334.79
On Sale/Adjustments	-	-	--	--	4.96	--	--	4.96	-	4.96	19.43
Upto 31.03.2021	-	17.83	4,372.90	278.01	10,698.10	1,021.53	392.59	16,780.96	37.10	16,818.06	15,050.93
<b>NET VALUE</b>											
As at 31.03.2021	1,356.05	334.41	9,146.87	242.41	23,736.50	814.04	21.70	35,652.00	4.53	35,656.53	21,237.18
As at 31.03.2020	1,356.05	342.52	4,190.46	41.67	15,028.40	237.34	33.77	21,230.21	6.97	21,237.18	

NOTE : 3



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b><u>NON CURRENT ASSETS</u></b>		
<b>4. CAPITAL WORK-IN-PROGRESS</b>		
Building under Construction	731.53	4,920.11
Machinery under Errection	5,918.29	11,186.57
Electric Installation	20.86	637.01
Furniture/Fixtures	-	1.90
Advance against Capital Goods	11.56	327.53
Pre-operative Expenses	-	982.59
	<u>6,682.24</u>	<u>18,055.71</u>
<b>5. INVESTMENT PROPERTY</b>		
Land	1,598.66	1,597.49
Advances against Purchase of Property	436.70	436.70
	<u>2,035.36</u>	<u>2,034.19</u>

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

**FINANCIAL ASSETS**

**6. INVESTMENTS**

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

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
	<u>3,852.66</u>	<u>3,852.66</u>

Aggregate Amount of Unquoted Investments - ₹ 3,852.66 lacs (P.Y. ₹ 3,852.66 lacs)



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>7. OTHER NON CURRENT ASSETS</b>		
Unsecured - Considered Good Security / Other Deposits	268.77	286.15
	<u>268.77</u>	<u>286.15</u>

**CURRENT ASSETS**

**8. INVENTORIES**

Raw Materials Basic (at cost or net realisable value whichever is lower)	3,981.38	9,872.60
Stock in Process (at cost or net realisable value whichever is lower)	1,058.90	875.65
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	3,029.17	3,057.69
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,992.40	1,380.47
Loose Tools (at cost or net realisable value whichever is lower)	23.30	23.70
	<u>10,085.15</u>	<u>15,210.11</u>

**FINANCIAL ASSETS**

**9. INVESTMENTS**

INVESTMENT (AT FAIR VALUE)

INVESTMENT IN UNITS OF MUTUAL FUNDS

UNQUOTED :

HDFC Banking and PSU Debt Fund 3100645.353 units (Prev. Year 4590642.353 units)	565.85	772.60
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INVESTMENT IN BONDS/DEBENTURES

QUOTED :

Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.) of Rs. 10,00,000/- each	303.25	314.95
	<u>869.10</u>	<u>1,087.55</u>

Aggregate Amount of Unquoted Investments - ₹ 565.85 lacs (P.Y. ₹ 772.60 lacs)

Aggregate Amount of Quoted Investments - ₹ 303.25 lacs (P.Y. ₹ 314.95 lacs)



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>10. TRADE RECEIVABLES</b>		
Considered Good	6,238.97	5,466.44
Considered Doubtful	107.98	135.12
	<u>6,346.95</u>	<u>5,601.56</u>
Less : Provision for Doubtful debts	107.98	130.61
	<u><u>6,238.97</u></u>	<u><u>5,470.95</u></u>
<b>11. CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	28.45	28.62
Balance with Scheduled Banks in - Current Accounts	94.90	142.77
	<u>123.35</u>	<u>171.39</u>
<b>12. BANK BALANCES</b>		
Balance with Scheduled Banks in		
Unclaimed Divident Accounts	80.59	84.22
Margin Money Accounts (*)	155.79	161.27
Fixed Deposit Accounts (**)	815.93	804.94
	<u>1,052.31</u>	<u>1,050.43</u>
<p>(*) Include Balances of ₹ 55.46 lacs (P.Y. ₹ 52.39 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.</p>		
<b>13. OTHER FINANCIAL ASSETS</b>		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received (*)	711.20	1,578.52
Advances to Subsidiaries	2,429.16	256.31
Other Advances	224.71	145.76
	<u>3,365.07</u>	<u>1,980.59</u>
<p>(*) Include ₹ 21.62 lacs (P.Y. ₹ 9.71 lacs) as Advances to Sundry Suppliers for purchase of materials.</p>		
<b>14. INCOME TAX ASSETS (NET)</b>		
Income Tax in advance	4,595.65	4,655.12
Less : Provision for Tax	4,418.96	4,399.06
	<u>176.69</u>	<u>256.06</u>
<b>15. OTHER CURRENT ASSETS</b>		
Prepaid Expenses	142.60	66.39
Interest & Other recoverables	77.99	132.12
	<u>220.59</u>	<u>198.51</u>





**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b><u>EQUITY</u></b>		
<b>16. EQUITY SHARE CAPITAL</b>		
Authorised 150,00,000 Equity Shares of Rs. 10/- each	<u>1,500.00</u>	<u>1,500.00</u>
Issued, Subscribed & Paid up 14759640 Equity Shares of Rs. 10/- each fully paid up	<u>1,475.96</u>	<u>1,475.96</u>
	<u><u>1,475.96</u></u>	<u><u>1,475.96</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2021		As on 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Manjoo Sardana	15,03,197	10.18	14,84,947	10.06
Sh. Kuldip Krishan Sardana	13,37,709	9.06	13,19,909	8.94
Sh. Dhiraj Sardana	8,71,362	5.90	8,71,362	5.90
Sh. Bhavdeep Sardana	8,65,782	5.87	8,65,782	5.87
Sh. Puneet Sardana	8,63,816	5.85	8,63,816	5.85
Sh. Pankaj Sardana	8,67,194	5.88	8,67,194	5.88

**17. OTHER EQUITY**

**RESERVES & SURPLUS**

<b>A. CAPITAL SUBSIDY</b>	<b>417.67</b>	417.67
<b>B. GENERAL RESERVE</b>		
Opening Balance	26,746.35	24,246.35
Add : Transferred from Profit & Loss Account	<u>2,500.00</u>	<u>2,500.00</u>
	<b>29,246.35</b>	26,746.35
<b>C. PROFIT &amp; LOSS ACCOUNT</b>		
As per last Balance Sheet	3,411.32	2,561.07
Add : Profit for the year	<u>2,261.46</u>	<u>3,350.25</u>
	<b>5,672.78</b>	5,911.32
Less : Appropriations/Payments :		
(a) Final Dividend	295.19	-
(b) Transferred to General Reserve	<u>2,500.00</u>	<u>2,500.00</u>
Surplus Carried Forward	<u>2,877.59</u>	3,411.32



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>D. OTHER COMPREHENSIVE INCOME</b>		
Opening balance	13.99	197.69
(a) Remeasurement of defined employee benefit plans	(18.79)	(11.60)
(b) Net change in fair value of investments other than equity	24.18	21.14
(c) Item reclassified to P & L	6.42	(193.24)
	<u>25.80</u>	<u>13.99</u>
	<u>32,567.41</u>	<u>30,589.33</u>

**LIABILITIES**

**NON CURRENT LIABILITIES**

**FINANCIAL LIABILITIES**

**18. BORROWINGS**

**SECURED LOANS - TERM LOAN FROM BANKS**

From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit and collaterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in sixteen equal quarterly installments, repayment started w.e.f. July, 2020.)

	1,146.57	1,205.00
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From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and collaterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in twenty equal quarterly installments, repayment started w.e.f. September, 2020.)

	4,875.00	6,375.00
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From Citi Bank NA - Secured against charge on land located at G.T. Road, Phagwara (Repayable during FY 2022-23)

	2,500.00	2,500.00
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**UNSECURED LOANS**

Fixed Deposits (includes ₹ 6,29,96,000/- from Directors, previous year ₹ 5,77,42,000/-) (Maturity Period Ranging from 1 to 3 years)

	6,927.66	5,908.37
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	<u>15,449.23</u>	<u>15,988.37</u>
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**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>19. LEASE LIABILITY</b>		
Lease Liability	375.24	362.25
	<u>375.24</u>	<u>362.25</u>
<b>20. DEFERRED TAX LIABILITIES (NET)</b>		
As per Last Balance Sheet	2,113.84	3,159.08
Add/(Less) : Tax effect on OCI	5.71	(105.24)
Add/(Less) : 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	140.00	(940.00)
	<u>2,259.55</u>	<u>2,113.84</u>
<b>21. OTHER NON CURRENT LIABILITIES</b>		
Security Deposits	870.98	656.71
Provision	400.00	400.00
Deferred Income - Govt. Grant(s)	78.00	82.00
Other Long Term Liabilities	1,288.17	1,013.88
	<u>2,637.15</u>	<u>2,152.59</u>
<b><u>CURRENT LIABILITIES</u></b>		
<b>FINANCIAL LIABILITIES</b>		
<b>22. BORROWINGS</b>		
<b>SECURED</b>		
Cash Credit limits from Punjab National Bank Secured against hypothecation of raw material, stores, semi-finished goods & finished goods and Book debts	6,598.61	9,743.34
Cash Credit limits 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 units		
Short Term Borrowings from Citi Bank NA Secured against charge on land located at G.T. Road, Phagwara	2,000.00	2,000.00
	<u>8,598.61</u>	<u>11,743.34</u>



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>23. TRADE PAYABLES</b>		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	325.63	153.68
(ii) Others	1,914.32	2,205.95
Sundry creditors for Expenses	1,317.05	1,233.47
Other Creditors (**)	554.14	529.31
	<u>4,111.14</u>	<u>4,122.41</u>
(*) 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 ₹ 206.66 lacs (P.Y. ₹ 128.27 lacs) as advance from Sundry Customers for supply of Goods.		
<b>24. OTHER CURRENT LIABILITIES</b>		
Term Loan Repayment to the Bank(s) within the year	2,009.59	1,472.00
Unclaimed Dividends	80.59	84.22
Taxes payable	669.89	442.77
Interest accrued but not due on Fixed Deposits	392.43	344.40
	<u>3,152.50</u>	<u>2,343.39</u>
<b>25. REVENUE FROM OPERATIONS</b>		
<b>Sales</b>		
Starches	23,148.55	29,845.86
Starch Derivatives	27,773.78	29,839.73
By-products & Misc Sales	18,930.88	20,041.26
	<u>69,853.21</u>	<u>79,726.85</u>
<b>26. OTHER INCOME</b>		
Interest Received	97.88	153.03
Other Income (*)	6.22	8.34
Profit/(Loss) on sale of Assets/Units	321.21	636.29
	<u>425.31</u>	<u>797.66</u>

(\*) Include Rent Received of ₹ 3.13 lacs (P.Y. ₹ 5.97 lacs)



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>27. COST OF MATERIALS CONSUMED</b>		
Opening Stock of Basic Raw Material	9,872.60	1,740.70
Purchase of Basic Raw Material	<u>38,153.03</u>	<u>65,328.65</u>
	48,025.63	67,069.35
Less : Closing Stock of Basic Raw Material	<u>3,981.38</u>	<u>9,872.60</u>
Effective Consumption of Basic Raw Material	<b>44,044.25</b>	57,196.75
Other Raw Materials, Consumables & Stores	<b>3,757.89</b>	3,410.11
	<u><b>47,802.14</b></u>	<u>60,606.86</u>
<b>28. CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK IN PROCESS</b>		
Opening Stock of Finished Goods	3,057.69	1,112.98
Opening Stock in Process	<u>875.65</u>	<u>584.31</u>
	<b>3,933.34</b>	1,697.29
Closing Stock of Finished Goods	3,029.17	3,057.69
Closing Stock in Process	<u>1,058.90</u>	<u>875.65</u>
	<b>4,088.07</b>	3,933.34
Change in Inventories	<u><b>(154.73)</b></u>	<u>(2,236.05)</u>
<b>29. EMPLOYEE BENEFIT EXPENSES</b>		
Wages & Salaries	<b>3,791.45</b>	3,909.04
Cont. to PF, ESI, Superannuation & Other Funds	<b>260.23</b>	283.72
Workmen & Staff Welfare	<b>147.01</b>	137.58
	<u><b>4,198.69</b></u>	<u>4,330.34</u>



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**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)

	<b>Gratuity Fund with S.B.I. Life Insurance</b>	
	<b>2020-21</b>	<b>2019-20</b>
<b>A Reconciliation of opening &amp; closing balances of Defined Benefit Obligation</b>		
(a) Present Value of Obligation as at the beginning of the year	<b>963.45</b>	968.73
(b) Current Service Cost	<b>80.91</b>	69.07
(c) Interest Cost	<b>61.36</b>	62.64
(d) Remeasurements	<b>88.72</b>	80.52
(e) Benefit Paid	<b>(84.15)</b>	(56.47)
(f) Present Value of Obligation as at the close of the year	<b>1,110.29</b>	963.45
<b>B Reconciliation of opening &amp; closing balances of Fair Value of Plan Assets</b>		
(a) Fair Value of Plan Assets as at the beginning of the year	<b>995.75</b>	933.47
(b) Expected Return on Plan Assets	<b>65.01</b>	62.17
(c) Remeasurements	<b>1.71</b>	6.58
(d) Actual Company Contribution	<b>45.00</b>	50.00
(e) Benefit Paid	<b>(84.15)</b>	(56.47)
(f) Fair Value of Plan Assets as at the close of the year	<b>1,023.32</b>	995.75
<b>C Reconciliation of Fair Value of Assets &amp; Obligation</b>		
(a) Present Value of Obligation	<b>1,110.29</b>	963.45
(b) Fair Value of Plan Assets	<b>1,023.32</b>	995.75
(c) Amount recognized in the Balance Sheet	<b>86.97</b>	32.30
<b>D Components of Defined Benefit Cost</b>		
(a) Current Service Cost	<b>80.91</b>	69.07
(b) Interest Cost	<b>61.36</b>	62.64
(c) Expected Return on Plan Assets	<b>(65.01)</b>	(62.17)
(d) Remeasurements	<b>88.72</b>	(87.11)
(e) Deferred Benefit Cost / OCI	<b>165.98</b>	(17.57)
<b>E Actuarial Assumptions</b>		
(a) Discount Rate (per annum)	<b>6.91%</b>	6.66%
(b) Expected Rate of Return on Assets (per annum)	<b>6.91%</b>	6.66%
(c) Salary Escalation Rate	<b>6 to 7%</b>	6.00%



**NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)
<b>30. FINANCIAL COSTS</b>		
Interest Expense	1,980.39	1,739.67
Interest on Lease Liability	37.22	41.76
Other Borrowings Cost/Bank Charges	40.38	34.90
	<u>2,057.99</u>	<u>1,816.33</u>
<b>31. OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES :</b>		
Power and Fuel & others	8,085.34	8,084.12
Machinery Repair	409.17	375.55
Building Repair	101.27	86.05
	<u>8,595.78</u>	<u>8,545.72</u>
<b>ADMINISTRATIVE, SELLING &amp; DISTRIBUTION EXPENSES :</b>		
Printing & Stationery	14.38	15.46
Professional/Legal Expenses	57.72	78.50
Directors' Fee	2.07	1.35
Travelling Expenses	103.99	132.33
Auditors' Remuneration	9.52	7.62
Rent Paid	35.23	29.76
Electricity & Water Charges	34.07	33.06
Entertainment	6.46	4.24
Postage & Telephones	19.28	20.33
Advertisement	10.46	18.48
Subscription	20.97	27.09
General Charges	7.06	9.58
Insurance Expenses	111.15	60.82
Other Repairs & Maintenance	67.77	61.74
Commission & Brokerage	521.95	559.94
Provision for Bad debts/(Written back)	(22.64)	25.59
Other Govt. Taxes, Levies & Fees	28.98	110.52
Directors' Commission	40.61	31.77
Charity & Donation	90.52	87.80
Carriage & Forwarding Charges	1,820.55	1,507.16
	<u>2,980.10</u>	<u>2,823.14</u>
	<u>11,575.88</u>	<u>11,368.86</u>



**OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
  - (i) **LCs / Bank Guarantees / Corporate Guarantee / Bond :**
    - (a) The Company has issued LCs / Bank Guarantees for ₹ 10.22 Crores (Previous Year ₹ 11.32 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit & Assistant Excise & Taxation Commissioner for VAT rebate.
    - (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores to Yes Bank Ltd and ₹ 20 crores to Citi Bank N.A. for availing the Term Loan(s) by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. for setting up the Mega Food Park. The balance under these term loans appeared at ₹ 34 Cr. due to Yes Bank Ltd. & ₹ 7 Cr. to Citi Bank N.A. as on 31.03.2021 and there is no third party Guarantee / security given / provided by the Company.
    - (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 8 crores) to Assistant Commissioner Security of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme.
  - (ii) **Central Excise Duty :** Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 29.46 Crores that includes :
    - ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The 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 tested by the Central Revenue Laboratory 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, Ludhiana.
    - A demand of ₹ 0.53 crores raised against sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
  - (iii) ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the demand has been stayed by the Hon'ble High Court of Andhra Pradesh.
  - (iv) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 4.50 Crores (Previous year ₹ 28.25 Crores)
  - (v) Export obligation pending to be fulfilled is ₹ 65.65 Crores (Previous year ₹ 60.10 Crores) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates.
3. National saving certificates of ₹ 0.08 lacs (Previous year ₹ 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include ₹ 2429.16 lacs (Previous year ₹ 256.31 lacs) due from the subsidiary companies. It mainly include ₹ 21.63 Crores receivable from Sukhjit Mega Food Park & Infra Ltd., which is presently providing facilities / services for about ₹ 90 lacs to 1 Crores per month to our new maize processing facility set up in the mega food park & the value may increase further due to its higher capacity utilization. While 50% of the outstanding balance will get recovered in the form of the services during this year only, other amount is expected from the sale of the developed plots/ sheds etc.
5. **Earnings per share :**

	<b>Current Year</b>	<b>Previous Year</b>
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	<b>2,261.46</b>	3,350.26
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	<b>1,47,59,640</b>	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	<b>15.32</b>	22.70
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	<b>15.32</b>	22.70
6. **Managerial Remuneration** paid/payable to the Executive Directors :
 

	<b>2020-21</b>	<b>2019-20</b>
	<b>(₹ Lacs)</b>	<b>(₹ Lacs)</b>
(i) Salaries	<b>59.35</b>	119.67
(ii) Commission	<b>13.54</b>	13.30
(iii) Contribution to retirement benefit funds	<b>4.88</b>	9.47
(iv) Perquisites	<b>9.78</b>	17.47





**OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**7. DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2021  
(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 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. Vikas Uppal, Non Executive- Independent Director  
Smt. Ruby Aggarwal, Non Executive - Independent Director  
Smt. Shalini Chablani, Non Executive Director  
Sh. Aman Setia, Vice President (Finance) & Company Secretary

**C Relatives of Directors & KMPs :**

Sh. Dhiraj Sardana  
Sh. Pankaj Sardana  
Ms. Rohini Sardana  
I K Sardana (HUF)  
Smt. Suman Sardana  
Sh. Bhavdeep Sardana  
Sh. Puneet Sardana  
Smt. Ravi Chowdhry  
Smt. Dipti Sardana  
Smt. Sona Sardana  
K K Sardana (HUF)  
Smt. Uma Sharma  
Sh. B D Vashisth  
Sh. Sandeep Sharma  
Smt. Shakuntla Sankhyan  
Ms. Anjali Aggarwal  
Ms. Ashima Aggarwal  
Smt. Archana Jain  
Smt. Anjana Bansal  
Smt. Mamta Aggarwal  
Smt. Anita Aggarwal  
Aman Setia (HUF)  
Sh. GD Setia  
Smt. Pooja Setia



**OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**D Transactions entered during the year ended 31st March, 2021 :**

(Amt ₹ in Lacs)

Particulars	Subsidares	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Relatives of Directors & KMPs
Rent Paid	449.95 (104.76)	–	–	–	24.00 (24.00)
Rent Received	0.06 (0.06)	3.07 (5.46)	–	–	–
On account of Sales	69.83 (80.67)	–	–	–	–
On account of Purchases	421.58 (190.81)	–	–	–	–
Remuneration	–	69.13 (125.72)	–	19.67 (29.44)	172.59 (222.22)
Retirement Benefits	–	4.88 (8.94)	–	2.47 (3.05)	23.83 (28.84)
Commission	–	13.54 (13.30)	27.07 (14.04)	–	–
Sitting Fees	–	–	2.07 (0.99)	–	–
Dividend	–	26.40 (47.81)	31.45 (30.45)	–	101.72 (186.68)
Fixed Deposits Received	–	70.75 (2.01)	85.23 (388.85)	–	616.99 (250.53)
Fixed Deposits Repaid	–	24.55 (74.51)	78.89 (82.71)	–	180.16 (77.27)
Interest on Fixed Deposits	–	16.65 (14.48)	42.73 (30.41)	–	172.04 (153.58)

**E Balance Outstanding- Payable on 31st March, 2021 :**

(Amt ₹ in Lacs)

Particulars	Subsidares	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Relatives of Directors & KMPs
Amount Receivable	2429.16 (256.32)	–	–	–	–
Remuneration	–	8.55 (9.97)	–	2.70 (1.55)	8.81 (7.52)
Commission	–	13.54 (13.30)	27.07 (14.04)	–	–
Fixed Deposits Payable	–	195.51 (149.31)	434.45 (428.11)	–	2,136.68 (1,769.07)
Interest on Fixed Deposits Payable	–	10.43 (8.46)	26.60 (24.17)	–	109.81 (87.25)



**OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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

	<u>2020-21</u>	<u>2019-20</u>
	(₹ Lacs)	(₹ Lacs)
Net Profit as per Profit & Loss Account	3,026.46	3,303.40
Add : Commission to Directors	40.60	31.77
Directors Sitting Fee	2.07	1.35
	<u>3,069.13</u>	<u>3,336.52</u>
Less : Profit on sale of Assets/Shares	<u>(321.21)</u>	<u>(636.29)</u>
Balance :	2,747.92	2,700.23
Commission @ 1% on Net Profits to Non-Executive Directors	27.07	18.47*
Commission @ 0.5% on Net Profits to Mg. Director	13.54	13.30
Net Profit (as per Section 198)	<u>2,707.31</u>	<u>2,668.46</u>

\* Amount restricted to Rs. 18.47 lacs as it has been worked out accordingly to the period they have served on the Board of Directors of the Company.

	<u>2020-21</u>	<u>2019-20</u>
	(₹ Lacs)	(₹ Lacs)
<b>9. AUDITORS' REMUNERATION INCLUDES :</b>		
Audit Fee (Incl. GST & Cost Audit fee)	9.10	7.20
Tax Audit Fee	0.42	0.42
<b>10. EARNINGS IN FOREIGN EXCHANGE</b>		
(i) Export of goods on a F.O.B. basis	263.03	132.14
<b>11. VALUE OF IMPORTS ON C.I.F. BASIS</b>		
(excluding canalised items)		
(i) Components/Spare Parts/Consumables	19.96	5.02
(ii) Capital Goods	297.86	3,629.35
(ii) Raw Material	-	566.85
<b>12. EXPENDITURE IN FOREIGN CURRENCY</b>		
Remittance in foreign currency on Foreign Travel	-	0.38
<b>13. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION</b>		
(i) Raw Materials :		
(a) Imported	566.85	-
(excluding canalised items)	(1.29)	-
(b) Indigenous	43,477.40	57,196.75
	(98.71%)	(100%)
(ii) Spare & Components :		
(a) Imported	11.20	12.82
	(3.74%)	(3.82%)
(b) Indigenous	288.14	322.74
	(96.26%)	(96.18%)

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha) Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS

MANJOO SARDANA  
TARSEM SINGH LALLY  
RANBIR SINGH SEEHRA  
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, 2021, 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, 2021.

<b>Subsidiary Company</b>	<b>Total Assets (in Lacs)</b>	<b>Revenue from Operations (in Lacs)</b>
The Vijoy Steel & General Mills Co. Ltd.	79.77	29.47
Scott Industries Ltd.	109.72	-
Sukhjit Mega Food Park & Infra Ltd.	15,229.30	1,025.65

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 most significant in our audit of the standalone financial statements of the current period. 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.



**INDEPENDENT AUDITORS' REPORT**

Key Audit Matters	Auditor's Response
<b>Revenue recognition</b>	
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".</p>	<p>Our audit procedures selected a sample of sales contracts/ sales orders, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price;</p> <p>Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p> <p>We have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and accounting standards.</p>
<b>Property Plant and Equipment (PPE)</b>	
<p>The Company has commissioned its new manufacturing facility with 600 TPD grinding capacity in Punjab. The project has been capitalized and depreciation has been claimed on addition in Property Plant and Equipment (PPEs). Any inappropriate timing of capitalization of the project and/or classification of categories of items of PPE may result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.</p>	<p>Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation. We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories of PPEs with the necessary apportionment of the pre-operative expenses etc. for capitalization.</p>
<b>Receivables and its ageing</b>	
<p>Receivables has been considered a key audit matter due to element of judgement involved in overall management assessment of the customers' ability to repay the outstanding balances due to occurrence of COVID-19 pandemic and its disruption in business.</p>	<p>We have evaluated the nature of customers and obtained the understanding from management about whether any impact on those customer's business of COVID-19 pandemic.</p> <p>We have also assessed the ageing of trade receivables and advances, the customer's payment pattern. We found that inspite of an overall impact on the economic scenario, the Company has been able to keep the receivables of the Company at a reasonable level with timely receipt of the sale proceeds. Further, we have found that receivables are fairly recoverable &amp; appropriate provision has been made where found necessary.</p>



**INDEPENDENT AUDITORS' REPORT**

Key Audit Matters	Auditor's Response
<p><b>Impact of COVID-19</b></p> <p>As there are significant judgements involved in the assessment of whether the assumptions made regarding the duration and the impact of the Covid-19 pandemic on the company on various fronts, the uncertainties related to COVID-19 are considered a key audit matter.</p>	<p>We critically evaluated the management's assessment on the impact of COVID-19 on the Company on :</p> <ol style="list-style-type: none"> <li>1. The operationalization of its new manufacturing facilities.</li> <li>2. General operations of the Company.</li> <li>3. In meeting its financial commitments.</li> </ol> <ul style="list-style-type: none"> <li>- During our evaluation, it was found that the operationalization of the new manufacturing facility of the Company got delayed by around 6 months due to the Nationwide Lockdown / Curfew amid COVID and various other factors beyond Company's control. The business operations of the Company also got disrupted during the first two quarters of FY21. However, the company had a fair come back in the second half of FY21 after relaxations in the lockdown etc by the Government. It is really appreciable that the company has remained prompt in meeting all its financial commitments including the timely repayments of term loans / serving of periodic interest etc.</li> <li>- During our evaluation / assessment of the impact of COVID on Company's subsidiaries it was found that the operationalization of the new project of the Mega Food Park by the Company's subsidiary M/s Sukhjit Mega Food Park &amp; Infra limited also got delayed by around 6 months due to the Nationwide Lockdown / Curfew amid COVID and various other factors beyond their control. The Common infrastructural facilities created by the project have been leased out. However, it is looking for the potential investors for leasing out its developed industrial plots as they have deferred their fresh investments due to adverse effect of pandemic on their existing business. It is really appreciable that the company has remained prompt in meeting all its financial commitments including the timely repayments of term loans / serving of periodic interest etc.</li> <li>- We also evaluated management's assessment of COVID-19 related risks for the company's businesses and financial resources compared with our own understanding of these risks. We considered management's plans to mitigate these risks.</li> <li>- We also evaluated the assumptions in respect of available projected future forecasts made by management for reasonableness based on the current market conditions and developments within the company.</li> </ul>



## **INDEPENDENT AUDITORS' REPORT**

### **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, Business Responsibility 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 :



## INDEPENDENT AUDITORS' REPORT

- 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.

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.





## INDEPENDENT AUDITORS' REPORT

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We 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 :
  - (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, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in "Annexure B"
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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 :
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
    - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

UDIN : 21507087AAAAR4180

Place : Phagwara  
Dated : 31st May, 2021



## INDEPENDENT AUDITORS' REPORT

### **ANNEXURE A TO THE AUDITOR'S REPORT**

The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the Consolidated financial statements for the year ended 31st March 2021, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
- (iv) 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.
- (v) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
- (vi) The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any outstanding dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Goods & Service Tax, Duty of Customs, Cess and other material Statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :
  - ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch.



## INDEPENDENT AUDITORS' REPORT

The Company does not find any substance in the demand, as it has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble Commissioner, Goods & Service Tax, Ludhiana.

- Other items related to a demand of ₹ 0.53 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
- ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.

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

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

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

Place : Phagwara

Dated : 31st May, 2021



## **INDEPENDENT AUDITORS' REPORT**

### **ANNEXURE B TO THE AUDITOR'S REPORT**

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over 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.



## **INDEPENDENT AUDITORS' REPORT**

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

**(AMIT CHADHA)**

Partner

Memb. No. 507087

Place : Phagwara

Dated : 31st May, 2021



**CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2021**

	NOTE	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	47,878.79	21,842.22
(b) Right to use	3	937.26	967.69
(c) Capital Work-in-progress	4	7,443.07	28,193.42
(d) Investment Property	5	2,079.36	2,078.19
(e) Other Intangible Assets	3	4.66	7.10
(f) Financial Assets - Investments	6	0.73	0.73
(g) Other Non Current Assets	7	316.81	295.31
		<u>58,660.68</u>	<u>53,384.67</u>
<b>2. CURRENT ASSETS</b>			
(a) Inventories	8	10,157.41	15,223.91
(b) Financial Assets			
(i) Investments	9	869.10	1,087.55
(ii) Trade Receivables	10	6,301.15	5,540.30
(iii) Cash & Cash Equivalents	11	173.03	359.31
(iv) Bank Balance other than (iii)	12	1,052.31	1,050.43
(v) Other Financial Assets	13	2,060.34	2,800.18
(c) Income Tax Asset (net)	14	196.75	250.90
(d) Other Current Assets	15	252.59	207.51
		<u>21,062.68</u>	<u>26,520.09</u>
		<u>79,723.36</u>	<u>79,904.76</u>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	16	1,475.96	1,475.96
(b) Other Equity	17	31,791.12	29,983.75
(c) Minority Interest		0.71	1.05
		<u>33,267.79</u>	<u>31,460.76</u>
<b>2. LIABILITIES</b>			
<b>(A) NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities - Borrowings	18	18,749.23	19,388.37
(b) Lease Liability	19	1,074.96	1,022.93
(c) Deferred Tax Liabilities (net)	20	2,220.29	2,111.76
(d) Deferred Income - Govt. Grant(s)	21	3,539.94	3,677.09
(e) Other Non Current Liabilities	22	3,689.78	2,468.60
		<u>29,274.20</u>	<u>28,668.75</u>
<b>(B) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	23	8,598.61	11,743.34
(ii) Trade Payable			
- Micro, Small & Medium Enterprises	24	325.63	153.68
- Others	24	4,303.65	4,127.77
(c) Other Current Liabilities	25	3,953.48	3,750.46
		<u>17,181.37</u>	<u>19,775.25</u>
		<u>79,723.36</u>	<u>79,904.76</u>

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS

MANJOO SARDANA  
TARSEM SINGH LALLY  
RANBIR SINGH SEEHRA  
VIKAS UPPAL



**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)
1. Revenue From Operations	26	69,877.78	79,916.56
2. Other Income	27	806.88	1,035.95
<b>3. Total Revenue</b>		<b><u>70,684.66</u></b>	<b><u>80,952.51</u></b>
4. Expenses :			
Cost of Materials Consumed	28	47,643.27	60,663.09
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	29	(168.02)	(2,203.38)
Employee Benefits Expenses	30	4,272.58	4,434.90
Finance Costs	31	2,256.94	1,910.06
Depreciation and Amortisation Exp.	3	2,197.45	1,440.96
Other Expenses	32	11,664.22	11,438.11
<b>Total Expenses</b>		<b><u>67,866.44</u></b>	<b><u>77,683.73</u></b>
<b>5. Profit Before Tax (3-4)</b>		<b>2,818.22</b>	<b>3,268.78</b>
6. Tax Expense :			
- Current Tax	625.00		857.59
- Deferred Tax	102.81		(940.55)
- Taxes Relating to Previous Years	-		38.14
		<b>727.81</b>	<b>(44.82)</b>
<b>7. Profit for the period (5-6)</b>		<b>2,090.41</b>	<b>3,313.60</b>
8. Add/(Less) Minority Interest		0.34	(0.55)
<b>9. Profit for the period</b>		<b>2,090.75</b>	<b>3,313.05</b>
<b>10. Other Comprehensive Income</b>			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		(9.61)	(4.11)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		2.42	1.03
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		32.31	27.88
(b) Income tax relating to items that will be reclassified to Profit & Loss		(8.13)	(6.74)
<b>11. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)</b>		<b>2,107.74</b>	<b>3,331.12</b>
<b>12. Earning per equity share :</b>			
(a) Basic		14.17	22.45
(b) Diluted		14.17	22.45

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS [ MANJOO SARDANA  
TARSEM SINGH LALLY  
RANBIR SINGH SEEHRA  
VIKAS UPPAL



**CONSOLIDATED STATEMENT OF CHANGE IN EQUITY**

(₹ In lacs)

	Reserve and Surplus				Total
	Capital Subsidy	General Reserve	Retained Earnings	Other Comprehensive Income	
<b>AS ON 31 MARCH 2020</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2019	417.81	24,246.35	1,992.55	197.69	26,854.41
Profit for the year			3,313.05		3,313.05
Other Comprehensive Income				9.54	9.54
Transfer to General Reserve		2,500.00	(2,500.00)		-
OCI reclassified to P&L				(193.24)	(193.24)
Balance at the end of the reporting period i.e. 31st March, 2020	<b>417.81</b>	<b>26,746.35</b>	<b>2,805.60</b>	<b>13.99</b>	<b>29,983.76</b>
<b>AS ON 31 MARCH 2021</b>					
Balance at the beginning of the reporting period i.e. 1st April, 2020	417.81	26,746.35	2,805.60	13.99	29,983.76
Profit for the year			2,090.75		2,090.75
Other Comprehensive Income				5.39	5.39
Dividends			(295.19)		(295.19)
Transfer to General Reserve		2,500.00	(2,500.00)		-
OCI reclassified to P&L				6.42	6.42
Balance at the end of the reporting period i.e. 31st March, 2021	<b>417.81</b>	<b>29,246.35</b>	<b>2,101.16</b>	<b>25.80</b>	<b>31,791.12</b>





**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	For the Year Ended 31st March, 2021 (₹ Lacs)	For the Year Ended 31st March, 2020 (₹ Lacs)
<b>FLOWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	2818.22	3,268.78
<b>ADJUSTMENTS FOR NON-CASH ITEMS</b>		
Depreciation	2197.45	1,440.96
Provision	(22.62)	46.23
<b>ADJUSTMENTS FOR NON-OPERATING ACTIVITIES</b>		
Interest received	(98.60)	(153.26)
Apportionment of Deferred Income	(137.15)	(137.15)
Interest paid	2,110.51	1,768.58
(Profit) Loss on sale of investments/assets	<u>(321.21)</u>	<u>(636.29)</u>
<b>FLOWS FROM OPERATIONS BEFORE</b>	<b>6,546.60</b>	<b>5,597.85</b>
<b>WORKING CAPITAL</b>		
<b>CHANGES IN WORKING CAPITAL</b>		
Trade and other receivables	(43.46)	(1,366.40)
Inventories	5,066.49	(9,852.27)
Trade Payables	347.82	1,097.41
Other Liabilities	<u>269.06</u>	<u>(300.47)</u>
<b>FLOWS FROM OPERATING ACTIVITIES</b>	<b>12,186.51</b>	<b>(4,823.89)</b>
Net Direct Taxes Paid	<u>(555.15)</u>	<u>(1,250.45)</u>
<b>NET FLOWS FROM OPERATING ACTIVITIES</b>	<b>11,631.37</b>	<b>(6,074.33)</b>
<b>FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(7,478.32)	(16,406.08)
Sale of Fixed Assets	348.75	696.99
Acquisition of Minority Interest	0.34	(0.55)
Other Investments	239.86	6,332.49
Interest received	<u>98.60</u>	<u>153.26</u>
<b>NET FLOWS FROM INVESTING ACTIVITIES</b>	<b>(6,790.77)</b>	<b>(9,223.89)</b>
<b>FLOWS FROM FINANCING ACTIVITIES</b>		
Loans raised for working capital	(3,144.73)	7,883.68
Term Loans raised	1,648.00	7,008.00
Repayment of Term Loan	(3,368.84)	-
Other Loans raised	2,293.00	1,067.95
Government Grants	-	976.51
Dividends paid	(298.83)	(9.92)
Lease Liability	(43.09)	(39.85)
Interest paid	<u>(2,110.51)</u>	<u>(1,768.58)</u>
<b>NET FLOWS FROM FINANCING ACTIVITIES</b>	<b>(5,025.00)</b>	<b>15,117.78</b>
Net Cash Flows during the year	<b>(184.40)</b>	<b>(180.44)</b>
Cash & cash equivalents at the beginning of the year	<b>1,409.74</b>	<b>1,590.18</b>
Cash & cash equivalents at the end of the year	<b>1,225.34</b>	<b>1,409.74</b>

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

**AMAN SETIA**  
Vice President (Finance)  
& Company Secretary

**K.K. SARDANA**  
Managing Director

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

Sd/-  
(Amit Chadha)  
Partner  
Memb. No. 507087  
Firm Reg. No. 018705N  
Place : Phagwara  
Dated : 31st May, 2021

DIRECTORS

MANJOO SARDANA  
TARSEM SINGH LALLY  
RANBIR SINGH SEEHRA  
VIKAS UPPAL



## NOTES

Forming part of the consolidated financial statements for the year ended 31st March, 2021.

### **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). The standalone financial statements for the year ended March 31, 2021 were approved by the Board of Directors on 31st May, 2021.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Statement of compliance**

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

#### **(b) Basis of preparation of Consolidated Financial Statement**

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with 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.

#### **(c) Property, Plant and Equipment**

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

- (i) 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. Such Costs also include borrowing cost if the recognition criteria are met.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other 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 which is different from the one specified in Schedule II to the Companies Act, 2013 : Buildings - 3 to 60 years, Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.



**(d) Intangible assets**

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

**(e) Investments**

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

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

**(f) Investment Property**

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

**(g) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.

**(h) Inventories**

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

**(i) Cash and Cash Equivalents**

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

**(j) Income Tax and Deferred Tax**

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

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

Pursuant to the Taxation (Amendment) Ordinance, 2019 issued by Ministry of Law and Justice on 20th september 2019 which is effective w.e.f. 1st April 2019, the holding company has opted to pay corporate income tax @ 22% plus applicable surcharge & cess. Its deffered tax liability/ asset has also been



re-measured accordingly. However, the subsidiary Companies continue under the earlier tax structure and may opt for the Concessional rate of Corporate Income tax in future.

**(k) Lease assets**

The Company has adopted Ind AS 116 'Leases' effective April 01, 2019 and applied the same to its Leases using the 'Modified Retrospective Approach'. The Company has not restated comparative information for previous year.

During the year, the company has recognized Right-Of-Use Asset (ROU Asset) held under a lease under the Property Plant & Equipment as Land. The total cost of this ROU Asset has been measured as present value of the future lease payments by discounting total lease payment with interest rate implicit in the lease using the 'Modified Retrospective Approach'. Instead of claiming actual lease payment expense, the composite present value of ROU Asset will be depreciated at straight line and interest cost for corresponding lease liability, in line with the accounting treatment required by IndAS116. 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.

**(l) Use of Estimates**

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

**(m) Recognition of Income and Expenses**

- (i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized is net of GST and net of rebate & discount, where applicable.
- (ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.
- (iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.
- (iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.
- (v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

**(n) Government subsidy / Grants**

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

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



**(o) Employee Benefits**

- (i) Short term employee benefits are charged to the profit & loss account of the year in which the employee renders services. These benefits include Annual leave encashment, Ex-gratia etc.
- (ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.
- (iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust and charged to the profit and loss account / other comprehensive income of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis

**(p) Research and Development Expenditure**

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

**(q) Foreign Currency Transaction**

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

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

**(r) Impairment**

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

**(s) Borrowing Cost**

Borrowings cost related to specific borrowings for acquisition / construction / 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.

**(t) Provisions, Contingent Liability and Contingent Assets**

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

**(u) Earnings Per Share**

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

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2021** Amount (₹ Lacs)

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS		TOTAL ASSETS	PREVIOUS YEAR		
	LAND	RIGHT TO USE ASSET (LAND)	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES			TANGIBLE ASSETS	INTANGIBLE ASSETS (COMPUTER SOFTWARE)
<b>COST</b>											
Cost as on 01.04.2020	1,541.62	999.74	8,782.78	307.44	24,781.18	1,193.15	427.53	38,033.43	41.81	38,075.24	36,122.92
Additions	253.37	--	8,695.36	289.01	17,563.12	1,274.68	153.13	28,228.68	--	28,228.68	2,032.44
Sale/Adjustments	--	--	--	--	32.49	--	--	32.49	--	32.49	80.12
Total as on 31.03.2021	1,794.99	999.74	17,478.15	596.45	42,311.80	2,467.83	580.66	66,229.62	41.81	66,271.43	38,075.24
<b>DEPRECIATION</b>											
Upto 31.03.2020	--	32.05	3,915.05	265.02	9,675.29	950.84	385.26	15,223.51	34.71	15,258.23	13,836.70
For the Year	--	30.44	747.60	24.06	1,240.55	129.65	22.71	2,195.01	2.44	2,197.45	1,440.96
On Sale/Adjustments	--	--	--	--	4.96	--	--	4.96	--	4.96	19.43
Upto 31.03.2021	--	62.49	4,662.65	289.08	10,910.89	1,080.49	407.97	17,413.57	37.15	17,450.72	15,258.23
<b>NET VALUE</b>											
As at 31.03.2021	1,794.99	937.26	12,815.49	307.36	31,400.92	1,387.34	172.69	48,816.05	4.66	48,820.71	22,817.02
As at 31.03.2020	1,541.62	967.69	4,867.74	42.42	15,105.88	242.31	42.26	22,809.92	7.10	22,817.02	

NOTE : 3



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b><u>NON CURRENT ASSETS</u></b>		
<b>4. CAPITAL WORK-IN-PROGRESS</b>		
Building under construction	1,307.64	7,382.34
Machinery under Errection	6,103.01	17,820.05
Electric Installation under Errection	20.86	637.01
Advances for Work in progress	11.56	568.65
Furniture/Fixtures	-	1.90
Pre-operative Expenses	-	1,783.47
	<u>7,443.07</u>	<u>28,193.42</u>
<b>5. INVESTMENT PROPERTY</b>		
Land	1,642.66	1,641.49
Advances against Purchase of Property	436.70	436.70
	<u>2,079.36</u>	<u>2,078.19</u>
Market Value of Investment Property ₹ 2,241.25 lacs (P.Y. ₹ 2,241.25 lacs)		
<b>FINANCIAL ASSETS</b>		
<b>6. INVESTMENTS</b>		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
	<u>0.73</u>	<u>0.73</u>
Aggregate Amount of Unquoted Investments - ₹ 0.73 lacs (P.Y. ₹ 0.73 lacs)		
<b>7. OTHER NON CURRENT ASSETS</b>		
Unsecured - Considered Good Security / Other Deposits	316.81	295.31
	<u>316.81</u>	<u>295.31</u>
<b>8. INVENTORIES</b>		
Raw Materials Basic (at cost or net realisable value whichever is lower)	3,990.46	9,876.30
Stock in Process (at cost or net realisable value whichever is lower)	1,076.50	880.07
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	3,034.96	3,063.37
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	2,032.19	1,380.47
Loose Tools (at cost or net realisable value whichever is lower)	23.30	23.70
	<u>10,157.41</u>	<u>15,223.91</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>FINANCIAL ASSETS</b>		
<b>9. INVESTMENTS</b>		
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED :		
HDFC Banking and PSU Debt Fund 3100642.353 units (Prev. Year 4590642.353 units)	565.85	772.60
INVESTMENT IN BONDS/DEBENTURES		
QUOTED :		
Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.) of ₹ 10,00,000/- each	303.25	314.95
	<u>869.10</u>	<u>1,087.55</u>
Aggregate Amount of Un-Quoted Investments - ₹ 565.85 lacs (P.Y. ₹ 772.60 lacs)		
Aggregate Amount of Quoted Investments - ₹ 303.25 lacs (P.Y. ₹ 314.95 lacs)		
<b>10. TRADE RECEIVABLES</b>		
Considered Good	6,212.12	5,473.91
Considered Doubtful	341.43	341.43
	<u>6,553.55</u>	<u>5,815.34</u>
Less : Provision for Doubtful debts	252.40	275.04
	<u>6,301.15</u>	<u>5,540.30</u>
<b>11. CASH AND CASH EQUIVALENTS</b>		
Cash in Hand	29.87	29.27
Balance with Scheduled Banks in Current Accounts	143.16	330.04
	<u>173.03</u>	<u>359.31</u>
<b>12. BANK BALANCES</b>		
Balance with Scheduled Banks in Unclaimed Divident Accounts	80.59	84.22
Margin Money Accounts (*)	155.79	161.27
Fixed Deposit Accounts (**)	815.93	804.94
	<u>1,052.31</u>	<u>1,050.43</u>

(\*) Include Balances of ₹ 55.46 lacs (P.Y. ₹ 52.39 lacs) with the maturity of more than one year.

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





**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>13. OTHER FINANCIAL ASSETS</b>		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received	1,823.16	2,653.99
Other Advances	237.18	146.19
	<u>2,060.34</u>	<u>2,800.18</u>
(*) Include ₹ 21.62 lacs (P.Y. ₹ 9.71 lacs) as Advances to Sundry Suppliers for purchase of materials.		
<b>14. INCOME TAX ASSETS (NET)</b>		
Income Tax in advance	4615.71	4,655.12
Less : Provision for Tax	4418.96	4,404.22
	<u>196.75</u>	<u>250.90</u>
<b>15. OTHER CURRENT ASSETS</b>		
Prepaid Expenses	174.37	75.16
Interest & Other recoverables	78.22	132.35
	<u>252.59</u>	<u>207.51</u>
<b><u>EQUITY</u></b>		
<b>16. EQUITY SHARE CAPITAL</b>		
Authorised		
150,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
Issued, Subscribed & Paid up	1,475.96	1,475.96
1,47,59,640 Equity Shares of Rs. 10/- each fully paid up	<u>1,475.96</u>	<u>1,475.96</u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2021		As on 31st March 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Manjoo Sardana	15,03,197	10.18	14,84,947	10.06
Sh. Kuldip Krishan Sardana	13,37,709	9.06	13,19,909	8.94
Sh. Dhiraj Sardana	8,71,362	5.90	8,71,362	5.90
Sh. Bhavdeep Sardana	8,65,782	5.87	8,65,782	5.87
Sh. Puneet Sardana	8,63,816	5.85	8,63,816	5.85
Sh. Pankaj Sardana	8,67,194	5.88	8,67,194	5.88



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>17. OTHER EQUITY</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>A. CAPITAL SUBSIDY</b>	417.81	417.81
<b>B. GENERAL RESERVE</b>		
Opening Balance	26,746.35	24,246.35
Add : Transferred from Profit & Loss Account	<u>2,500.00</u>	<u>2,500.00</u>
	<b>29,246.35</b>	<b>26,746.35</b>
<b>C. PROFIT &amp; LOSS ACCOUNT</b>		
As per last Balance Sheet	2,805.60	1,992.55
Add : Profit for the year	<u>2,090.75</u>	<u>3,313.05</u>
	<b>4,896.35</b>	<b>5,306.60</b>
Less : Appropriations/Payments :		
(a) Final Dividend	295.19	-
(b) Transferred to General Reserve	<u>2,500.00</u>	<u>2,500.00</u>
Surplus Carried Forward	<b>2,101.16</b>	<b>2,805.60</b>
<b>D. OTHER COMPREHENSIVE INCOME</b>		
Opening balance	13.99	197.69
(a) Remeasurement of defined employee benefit plans	<b>(18.79)</b>	<b>(11.60)</b>
(b) Net change in fair value of investments other than equity	24.18	21.14
(c) Item reclassified to P & L	<u>6.42</u>	<u>(193.24)</u>
	<b>25.80</b>	<b>13.99</b>
	<b>31,791.12</b>	<b>29,983.75</b>

**LIABILITIES**

**NON CURRENT LIABILITIES**

**FINANCIAL LIABILITIES**

**18. BORROWINGS**

**SECURED LOANS - TERM LOAN FROM BANKS**

From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit and collaterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in sixteen equal quarterly installments, repayment started w.e.f. July, 2020.)

1,146.57	1,205.00
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**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and colleterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in twenty equal quarterly installments, repayment started w.e.f. September, 2020.)	4,875.00	6,375.00
From Yes Bank Ltd. - Secured against all current & movable fixed assets of Mega Food Park (The Term Loan is repayable in twenty equal quarterly installments, repayment started w.e.f. July, 2020)	2,600.00	3,400.00
From Citi Bank NA - Secured against pari passu charge on all current & movable fixed assets of Mega Food Park (Loan against grant receivable for MOFPI)	700.00	-
From Citi Bank NA - Secured against charge on land located at G.T. Road, Phagwara (Repayable during FY 2022-23)	2,500.00	2,500.00
<b>UNSECURED LOANS</b>		
Fixed Deposits (includes ₹ 6,29,96,000/- from Directors, previous year ₹ 5,77,42,000/-) (Maturity Period Ranging from 1 to 3 years)	6,927.66	5,908.37
	<u>18,749.23</u>	<u>19,388.37</u>
<b>19. LEASE LIABILITY</b>		
Lease Liability	1,074.96	1,022.93
	<u>1,074.96</u>	<u>1,022.93</u>
<b>20. DEFERRED TAX LIABILITIES (NET)</b>		
As per Last Balance Sheet	2,111.77	3,157.57
Add/(Less) : Tax effect on OCI	5.71	(105.24)
Add/(Less) : 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	102.81	(940.56)
	<u>2,220.29</u>	<u>2,111.77</u>
<b>21. DEFERRED INCOME</b>		
Deferred Income - Government grant(s)	3,539.94	3,677.09
	<u>3,539.94</u>	<u>3,677.09</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>22. OTHER NON CURRENT LIABILITIES</b>		
Security Deposits	1,994.51	689.07
Provision	407.10	407.60
Other Long Term Liabilities	<u>1,288.17</u>	<u>1,371.93</u>
	<u><b>3,689.78</b></u>	<u><b>2,468.60</b></u>
<b>CURRENT LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
<b>23. BORROWINGS</b>		
SECURED		
Cash Credit limits from Punjab National Bank Secured against hypothecation of raw material, stores, semi-finished goods & finished goods and Book Debts	<b>6,598.61</b>	9,743.34
Cash Credit limits colletarally secured against Eq. mortgage of land & building of Nizamabad unit, lease rights on land of malda unit, building constructed there on the P & M and other fixed assets of the units		
Short Term Borrowings from Citi Bank NA Secured against charge on land located at G.T. Road, Phagwara	<b>2,000.00</b>	2,000.00
	<u><b>8,598.61</b></u>	<u><b>11,743.34</b></u>
<b>24. TRADE PAYABLES</b>		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	<b>325.63</b>	153.68
(ii) Others	<b>2,260.37</b>	2,285.04
Sundry creditors for Expenses	<b>1,486.12</b>	1,313.71
Other Creditors (**)	<b>557.16</b>	529.02
	<u><b>4,629.28</b></u>	<u><b>4,281.45</b></u>
(*) 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 ₹ 209.93 lacs (P.Y. ₹ 128.27 lacs) as advance from Sundry Customers for supply of Goods.		
<b>25. OTHER CURRENT LIABILITIES</b>		
Term Loan Repayment to the Bank(s) with in the year	<b>2,809.59</b>	2,872.00
Unclaimed Dividends	<b>80.59</b>	84.22
Taxes payable	<b>670.87</b>	449.84
Interest accrued but not due on	<b>392.43</b>	344.40
Fixed Deposits	<u><b>3,953.48</b></u>	<u><b>3,750.46</b></u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>26. REVENUE FROM OPERATIONS</b>		
Sales		
Starches	23,148.55	29,845.86
Starch Derivatives	27,773.78	29,839.73
By-products & Misc Sales	18,955.45	20,230.97
	<u>69,877.78</u>	<u>79,916.56</u>
<b>27. OTHER INCOME</b>		
Interest Received	98.60	153.26
Other Income (*)	387.07	246.40
Profit/(Loss) on sale of Assets/Units	321.21	636.29
	<u>806.88</u>	<u>1,035.95</u>
(*) Include Rent Received of ₹ 3.13 lacs (P.Y. ₹ 5.97 lacs)		
<b>28. COST OF MATERIALS CONSUMED</b>		
Opening Stock of Basic Raw Material	9,876.30	1,745.20
Purchase of Basic Raw Material	37,979.00	65,384.08
	<u>47,855.30</u>	<u>67,129.28</u>
Less : Closing Stock of Basic Raw Material	3,990.46	9,876.30
Effective Consumption of Basic Raw Material	43,864.84	57,252.98
Other Raw Materials, Consumables & Stores	3,778.43	3,410.11
	<u>47,643.27</u>	<u>60,663.09</u>
<b>29. CHANGES IN INVENTORIES OF FINISHED GOODS &amp; STOCK IN PROCESS</b>		
Opening Stock of Finished Goods	3,063.37	1,121.79
Opening Stock in Process	880.07	618.27
	<u>3,943.44</u>	<u>1,740.06</u>
Closing Stock of Finished Goods	3,034.96	3,063.37
Closing Stock in Process	1,076.50	880.07
	<u>4,111.46</u>	<u>3,943.44</u>
Change in Inventories	<u>(168.02)</u>	<u>(2,203.38)</u>
<b>30. EMPLOYEE BENEFIT EXPENSES</b>		
Wages & Salaries	3,859.33	4,007.87
Cont. to PF, ESI, Superannuation & Other Funds	265.12	289.19
Workmen & Staff Welfare	148.13	137.84
	<u>4,272.58</u>	<u>4,434.90</u>



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

	AS ON 31.03.2021 (₹ LACS)	AS ON 31.03.2020 (₹ LACS)
<b>31. FINANCE COSTS</b>		
Interest Expense	2,110.51	1,768.58
Interest on Lease Liability	105.99	106.50
Other Borrowings Cost/Bank Charges	40.44	34.98
	<u>2,256.94</u>	<u>1,910.06</u>
<b>32. OTHER EXPENSES</b>		
<b>MANUFACTURING EXPENSES :</b>		
Power and Fuel & Others	8,214.92	8,090.72
Machinery Repair	398.84	369.79
Building Repair	57.29	86.05
	<u>8671.05</u>	<u>8,546.56</u>
<b>ADMINISTRATIVE, SELLING &amp; DISTRIBUTION EXPENSES :</b>		
Printing & Stationery	15.10	16.05
Professional/Legal Expenses	61.56	93.99
Directors' Fee	2.37	2.20
Travelling Expenses	106.03	142.31
Auditors' Remuneration	10.18	8.43
Rent Paid	32.21	30.29
Electricity & Water Charges	20.92	37.01
Entertainment	6.81	4.91
Postage & Telephones	19.38	20.52
Advertisement	10.46	18.65
Subscription	20.97	27.11
General Charges	14.54	21.49
Insurance Expenses	119.23	60.90
Other Repairs & Maintenance	69.71	62.72
Commission & Brokerage	521.95	559.94
Provision for Bad debts/(Written back)	(22.62)	46.23
Other Govt. Taxes, Levies & Fees	32.54	111.76
Directors' Commission	40.61	31.77
Charity & Donation	90.67	88.10
Carriage & Forwarding Charges	1,820.55	1,507.16
	<u>2,993.17</u>	<u>2,891.55</u>
	<u>11,664.22</u>	<u>11,438.11</u>



**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
  - (i) **LCs / Bank Guarantees / Corporate Guarantee / Bond :**
    - (a) The Company has issued LCs / Bank Guarantees for ₹10.22 Crores (Previous Year ₹ 11.32 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit & Assistant Excise & Taxation Commissioner for VAT rebate.
    - (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores to Yes Bank Ltd and ₹ 20 crores to Citi Bank N.A. for availing the Term Loan(s) by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. for setting up the Mega Food Park. The balance under these term loans appeared at ₹ 34 Cr. due to Yes Bank Ltd. & ₹ 7 Cr. to Citi Bank N.A. as on 31.03.2021 and there is no third party Guarantee / security given / provided by the Company.
    - (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 8 crores) to Assistant Commissioner Security of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme.
  - (ii) **Central Excise Duty :** Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 29.46 Crores that includes :
    - ₹28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The 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 tested by the Central Revenue Laboratory 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, Ludhiana.
    - A demand of ₹ 0.53 crores raised against sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
  - (iii) ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the demand has been stayed by the Hon'ble High Court of Andhra Pradesh.
  - (iv) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 4.50 Crores (Previous year ₹ 28.25 Crores)
  - (v) Export obligation pending to be fulfilled is ₹ 65.65 Crores (Previous year ₹ 60.10 Crores) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates.

	<u>2020-21</u>	<u>2019-20</u>
	(₹ Lacs)	(₹ Lacs)
3. <b>Earnings per share :</b>		
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	2,090.75	3,313.04
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,47,59,640	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	14.17	22.45
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	14.17	22.45
4. <b>Managerial Remuneration</b> paid/payable to the Executive Directors :		
(i) Salaries	59.35	119.67
(ii) Commission	13.54	13.30
(iii) Contribution to retirement benefit funds	4.88	9.47
(iv) Perquisites	9.78	17.47



**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**5. DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2021 (Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

**RELATED PARTIES**

**A Directors & KMPs of Holding & Subsidiary Companies :**

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. Vikas Uppal, Non Executive- Independent Director  
Smt. Ruby Aggarwal, Non Executive - Independent Director  
Smt. Shalini Chablani, Non Executive Director  
Sh. Aman Setia, Vice President (Finance) & Company Secretary  
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 Khurana, Company Secretary

**B Relatives of Directors & KMPs of Holding & Subsidiary Companies :**

Sh. Pankaj Sardana	Sh. Vikram Vijay Suri
Ms. Rohini Sardana	Smt. Shaliza Suri
I K Sardana (HUF)	Smt. Taruna Wadhawan
Smt. Suman Sardana	Sh. Sahil Wadhawan
Sh. Puneet Sardana	Poonam Narula
Smt. Ravi Chowdhry	Pramod Kumar Narula
Smt. Dipti Sardana	Sh. Divyang Patel
Smt. Sona Sardana	Sh. Meeta Diyang Patel
K K Sardana (HUF)	Divyag Shankerlal Patel (HUF)
Smt. Uma Sharma	Nilesh Patel
Sh. B D Vashisth	Nilesh Shankerlal Patel (HUF)
Sh. Sandeep Sharma	Varsha Nilesh Patel
Smt. Shakuntla Sankhyan	Suresh Kumar Sethi
Ms. Anjali Aggarwal	Aarav Sethi
Ms. Ashima Aggarwal	Saloni Sethi
Smt. Archana Jain	Shalvi Sethi
Smt. Anjana Bansal	Anju Sethi
Smt. Mamta Aggarwal	
Smt. Anita Aggarwal	
Aman Setia (HUF)	
Sh. G D Setia	
Smt. Pooja Setia	





**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**C Transactions entered during the year ended 31st March, 2021 :**

(Amt ₹ in Lacs)

Particulars	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Directors & KMPs of Subsidiary Co.	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Rent Paid	–	–	–	12.00 (12.00)*	–	12.00 (12.00)
Rent Received	3.07 (5.46)	–	–	–	–	–
Remuneration (incl. Retirement Benefits)	74.01 (134.66)	–	22.14 (32.49)	161.18 (234.62)*	13.87 (14.66)	95.63 (123.04)
Commission	13.54 (13.30)	27.07 (14.04)	–	–	–	–
Sitting Fees	–	2.07 (0.99)	–	0.64 (0.89)	–	–
Dividend	26.40 (47.81)	31.45 (30.45)	–	34.95 (64.67)*	–	67.37 (123.05)
Fixed Deposits Received	70.75 (2.01)	85.23 (388.85)	–	233.43 (55.73)*	2.00 (Nil)*	428.51 (260.31)
Fixed Deposits Repaid	24.55 (74.51)	78.89 (82.71)	–	83.99 (20.00)*	–	101.41 (57.27)
Interest on Fixed Deposits	16.65 (14.48)	42.73 (30.41)	–	25.27 (16.88)*	–	180.41 (165.05)

**D Balance Outstanding- Payable on 31st March, 2021 :**

(Amt ₹ in Lacs)

Particulars	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Directors & KMPs of Subsidiary Co.*	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Amount Receivable	–	–	–	–	–	–
Remuneration	8.55 (9.97)	–	2.70 (1.55)	13.39 (8.96)	1.87 (1.50)	4.40 (4.75)
Commission	13.54 (13.30)	27.07 (14.04)	–	–	–	–
Fixed Deposits Payable	165.51 (149.31)	434.45 (428.11)	–	372.18 (222.74)	2.00 (Nil)*	2,152.78 (1,894.90)
Interest on Fixed Deposits Payable	10.43 (8.46)	26.60 (24.17)	–	10.81 (12.04)	0.01 (Nil)*	117.22 (103.20)

\* The transactions with the Holding Company.



**OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	102.33	34,043.37	108.18	2,261.46
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.02)	(9.04)	0.42	(8.86)
– Scott Industries Ltd.	(1.63)	(542.95)	(0.03)	(0.64)
– Sukhjit Mega Food Park & Infra Ltd.	(0.68)	(224.07)	(7.73)	(161.56)
Minority Interest in all subsidiaries/ Associates		0.71		0.34

**7. Segment Reporting**

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

**FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES**

(Amt. in ₹ LACS)

Particulars	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	3391.03	440.14	23.06
Reserves & Surplus / (Accummulated Losses)	(224.07)	(542.95)	(9.04)
Total Assets	15229.30	109.72	79.77
Total Liabilities	15229.30	109.72	79.77
Investments	–	–	–
Revenue from Operations	1025.65	–	29.47
Profit / (Loss) before taxation	(195.63)	(0.64)	(11.97)
Provision for taxation - Deffered tax	34.07	–	3.11
Profit / (Loss) after taxation	(161.56)	(0.64)	(8.86)
Proposed Dividend (if any)	Nil	Nil	Nil



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

**PRIMARY SEGMENT INFORMATION**  
For the year ended March 31, 2021 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Mega Food Park		Heavy Machinery		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>1. Segment Revenue</b>												
– External Revenue	70,277.61	80,524.45	–	–	388.97	238.34	18.08	189.72	--	--	70,684.66	80,952.51
– Internal Revenue	0.91	0.06	–	–	636.68	--	11.39	5.76	(648.98)	(5.82)	--	--
Total Revenue	70,278.52	80,524.51	–	–	1,025.65	238.34	29.47	195.48	(648.98)	(5.82)	70,684.66	80,952.51
<b>2. Segment Result</b>												
– Profit before Taxation	3,026.46	3,303.39	(0.64)	(21.04)	(195.63)	(36.45)	(11.97)	22.88	--	--	2,818.22	3,268.77
– Provision for Taxation	(765.00)	46.86	–	–	34.07	6.22	3.11	(8.26)	--	--	(727.82)	44.82
– Profit after Taxation	2,261.46	3,350.25	(0.64)	(21.04)	(161.56)	(30.23)	(8.86)	14.62	--	--	2,090.41	3,313.60
<b>3. Segment Assets</b>												
– Segment assets	70,626.79	70,891.48	109.72	109.96	15,229.30	12,983.19	79.77	57.60	(6,321.98)	(4,137.47)	79,723.60	79,904.76
– Segment Liabilities	34,323.87	36,712.35	212.54	212.14	12,062.34	9,654.68	65.75	34.72	(19,610.59)	(281.65)	44,235.28	46,332.24
– Capital Expenditure	4,845.50	12,231.87	–	–	2630.78	4,165.65	2.78	2.14	--	--	7,478.33	16,399.66

# THE SUKHJIT STARCH & CHEMICALS LIMITED

Regd. Office : Sarai Road, Phagwara-144401 Distt. Kapurthala, Punjab

Email : sukhjit@sukhjitgroup.com Website : www.sukhjitgroup.com

C.I.N. : L15321PB1944PLC001925

## ATTENDANCE SLIP

### ANNUAL GENERAL MEETING - AUGUST 6, 2021 AT 10.00 A.M.

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Friday the 6th day of August, 2021 at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

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

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

### FORM NO. MGT-11 PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, August 6th, 2021 at 10.00 A.M. at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.	2.	3.	4.
----	----	----	----

Signed this..... day of ..... 2021.

Signature of shareholder : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

Affix  
Revenue  
Stamp

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



## PUNJAB

### THE SUKHJIT STARCH & CHEMICALS LTD.

SARAI ROAD,PHGWARA, DISTT. KAPURTHALA, PUNJAB 144-401, INDIA

T: +91 1824 468800, 260314 | F: +91 1824 261669 | E: SUKHJIT@SUKHJITGROUP.COM

### SUKHJIT CORN PRODUCTS

REHANA JATTAN, TEH.PHAGWARA,

DISTT. KAPIRTHA;LA, PUNJAB 144 407, INDIA

T: +91 1824 518800 | F: +91 1824 261669 | E: SCP@SUKHJIRGROUP.COM

## HIMACHAL PRADESH

### SUKHJIT AGRO INDUSTRIES

VILLAGE BATHU (GURPLAH), UNA, HIMACHAL PARDESH, INDIA

T: 91 98166 49399 | E: SUKHJITAGRO@GMAIL.COM

## TELANGANA

### SUKHJIT STARCH MILLS

P.O. BOX NO. 321, ARMOUR ROAD, MUBARAK NAGAR,NIZAMABAD,TELGANA 503 003, INDIA

T: 91 8462 297622 | F: +91 8462 239330 | E: SUKHJIT.STARCH@GMAIL.COM

## WEST BENGAL

### SUKHJITSTARCH INDUSTRIES

WBIIDC GROWTH CENTRE, N.H. 34, NARAYANPUR, MALDA, WEST BENGAL 732 141 INDIA

T: +91 3512 263027, 263029 | E: SUKHJITMALDA@GMAIL.COM

[WWW.SUKHJITGROUP.COM](http://WWW.SUKHJITGROUP.COM)



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