

The **sukhjit** STARCH & CHEMICALS LIMITED



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

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

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

Ref:SSC/EDS/BSE/

Dt:29.07.2017

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

Reg: Annual Report 2016-17

Dear Sirs,

Please find enclosed a copy of Annual Report for the F. Y. 2016-17. You are requested to kindly place the same on your Website.

Thanking you,

Yours faithfully,
For THE SUKHJIT STARCH & CHEMICALS LTD.


AMAN SETIA
VICE PRESIDENT (FINANCE)
& COMPANY SECRETARY



Encl: as above

Nizamabad (Tel.) Plant: (08462) 238622, Fax : (08462) 239330 Gur Plah (H.P.) Plant: (01975) 257313, Fax: (01975) 257312
Malda (W.B.) Plant: (03512) 263027, Fax: (03512) 263026 Mumbai (B.O.) : (022) 23693268, Fax : (022) 23637985

73rd
Annual Report
2016-2017



The Sukhjit Starch
& Chemicals Limited



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. S.C. Jindal - Chairman
Sh. V.K. Sardana
Sh. Naresh Sardana
Sh. S.K. Anand
Sh. V.P. Kapahi
Smt. Ravi Chowdhry
Sh. I.K. Sardana-Managing Director
Sh. K.K. Sardana-Jt. Managing Director
Sh. M.G. Sharma-Executive Director (Fin) & CFO

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Skyline Financial Services (Pvt.) Ltd.
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110 020
Tel. : 011-26812682, 83
Fax : 011-26812684

ANNUAL REPORT & ACCOUNTS 2016-2017



NOTICE

NOTICE is hereby given that the 73rd Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Thursday, the 27th day of July, 2017 at 10.00 A.M. at the Registered Office of the Company at Phagwara to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31.03.2017.
2. To declare dividend on the Equity Shares for the year ended 31.03.2017.
3. To appoint Director in place of Shri Naresh Sardana (DIN : 01213955), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Statutory Auditors by passing with or without modification(s) the following resolution as an ordinary resolution :

"Resolved that pursuant to the provisions of section 139 and any other applicable provision of The Companies Act, 2013 read with the companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s VSAP & Associates, Chartered Accountants (FRN 018705N), be and are hereby appointed as Auditors of the company in place of the retiring auditors M/s Y K Sud & company, Chartered Accountants (who complete their term on the conclusion of this AGM u/s 139(2) of the Act) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 78th Annual General Meeting (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board and the Auditors."

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, any other applicable provision of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is hereby granted to the re-appointment of Shri Satish Chander Jindal (DIN 01173299) (Non Executive Director), as an Independent Director of the Company to hold office for a further period of 3 years."
6. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, any other applicable provision of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is hereby granted to the re-appointment of Shri Shiv Kumar Anand (DIN 00528532) (Non Executive Director), as an Independent Director of the Company to hold office for a further period of 3 years."
7. To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution :



"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, any other applicable provision of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is hereby granted to the re-appointment of Shri Vinod Pal Kapahi (DIN 00957729) (Non Executive Director), as an Independent Director of the Company to hold office for a further period of 3 years."

8. 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 161, 196, 197, any other applicable provision 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 appointment of Shri M.G. Sharma (DIN 00398326) as the Executive Director (Fin) & CFO of the Company with effect from 1st August, 2016 for a period of 3 years, on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the appointment including remuneration etc. payable to Shri M G Sharma within the limits specified in Schedule V to The Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri M.G. Sharma."

9. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2018, 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, 2018, be and is hereby ratified."

Place : Phagwara.

Dated : 24th May, 2017

By Order of the Board

Sd/-

AMAN SETIA

Vice President (Finance)

& Company Secretary

EXPLANATORY STATEMENT(S) OF ITEM NO. 5 TO 9 (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 5 TO 7

Shri Satish Chandra Jindal, M.A.L.L.B., is a Non Executive Independent Chairman of the Company. He is also a member of Audit Committee, Corporate Social Responsibility (CSR) Committee, Nomination & Remuneration Committee and Stakeholders' relationship/grievance Committee. He is professionally qualified and has life long business experience to his credit in diverse field. He is actively involved as a senior partner in M/s. Metropolis Motors, Rampur (U.P.) He holds 35,220 shares of our company.

Shri Shiv Kumar Anand, B. E. (Electrical), is a Non Executive Independent Director of the Company. He is also a member of Audit Committee, Stakeholders' relationship/grievance Committee and Nomination & Remuneration



Committee. He is presently working as the Director of M/s. Ananda Toys Pvt. Ltd. He has headed many leading organizations successfully controlling / leading their vital managerial / administrative / operational functions. He has worked as Executive Director and Managing Director of M/s. North Eastern Supply Co. of Orissa. He has served Punjab State Electricity Board as Chief Engineer for four years and thereafter Member (Distribution) of the Board for quite some time. He has a rich managerial, administrative and commercial experience to his credit. He holds 1002 shares of our company.

Shri Vinod Pal Kapahi, B.A., C.A.I.I.B., is a Non Executive Independent Director of the Company. He is also a member of Audit Committee, Corporate Social Responsibility (CSR) Committee and Nomination & Remuneration Committee. He is a retired Senior Executive of a Public Sector Bank having long experience in industrial financial besides a strong administrative & managerial capability to his credit. He does not hold any other directorship and holds 1000 shares of our company.

In terms of Section 149, 150 152, any other applicable provision of The Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the term of appointment of above existing Independent Directors is expiring on 27th July, 2017 and it is proposed that the above Directors, namely Sh. Satish Chander Jindal, Sh. Shiv Kumar Anand and Sh. Vinod Pal Kapahi be re-appointed as Independent Directors for a further period of 3 years and shall not be liable to retire by rotation.

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

In the opinion of the Board, the Independent Directors proposed to be re-appointed fulfill all the conditions specified in the Companies Act, 2013 and the rules made thereunder and are Independent of the management. The re-appointment of the Independent Directors will be as per the terms and conditions of initial appointment, which are available for inspection by members at the Registered Office of the Company and are also available on the website of the Company.

The Board considers that their association would be of immense benefit to the Company and it is desirable to continue to avail their services. Accordingly, the Board recommends the re-appointment of the Independent Directors and propose to pass the resolutions set out in item no.5 to 7 (both inclusive) respectively.

Save and except the Independent Directors and their relatives to the extent of their shareholding interest, if any, in the company with regard to their respective appointments, none of the other Directors / Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolutions set out at item No. 5 to 7 (both inclusive).

ITEM NO. 8

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. He is heading finance and commercial functions of the company with due compliance of statutory Acts like Income Tax Act, Central Excise Act etc and other applicable Acts to the company from time to time. The Board, in their meeting held on 27.07.2016 (subject to the approval of the shareholders in the ensuing General Meeting) have appointed Shri M.G. Sharma as Executive Director (Fin) & C.F.O. of the Company for a period of 3 years with effect from 1st August, 2016 on the following terms & conditions :



1. The Executive Director (Fin) & C.F.O shall be vested with the powers of governance & control for the general conduct of business and affairs of the company efficiently and profitably under the superintendence / overall directions of the Board of Directors / Managing Director(s).
2. The appointment is made for a period of 3 years with effect from 1st August, 2016.
3. REMUNERATION:
 - (a) Salary & Allowances : ₹3.01 Lacs p.m. with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
 - (b) Perquisites : Perquisites shall be allowed in addition to salary & will be restricted to an amount equal to the annual salary.

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

CATEGORY 'A'

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

CATEGORY 'B'

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

CATEGORY 'C'

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

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

He has been associated with the company for more than three decades and has been involved in policy formulation and various other activities like project / product planning & development. He is also actively involved in key areas like procurement of raw materials, marketing of finished products and other commercial activities besides heading the finance department of the Company. The Board, therefore, in the overall interest of the company, recommends his appointment as Executive Director (Fin) & CFO for a period of 3 years with effect from 1st August, 2016.

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



ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018.

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 Rs. 80,000/- plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the financial year ending March 31, 2018 by passing an Ordinary Resolution as set out at Item No. 9 of the Notice.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

NOTES :

1. A Member entitled to attend and a vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
2. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2017 and Profit & Loss Account for the year ended on that date together with the Independent Auditors' Report and Directors' Report thereon are also enclosed. Members, are, however, requested to bring their copies of the Annual Report to the meeting.
3. The notice of the AGM along with the Annual Report for the financial year 2016-17 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd July, 2017 to 27th July, 2017 (both days inclusive).
5. 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.
6. The payment of dividend (as recommended by the Board) will be made on and from 01.08.2017, 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) as of the close of business hours on 20th July, 2017.
 - (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 Company on or before the close of business hours on 21th July, 2017
7. 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.

8. 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.
9. Members, who have not en-cashed their dividend warrants for the financial year 2009-2010, Interim and Final Dividend 2010-2011, 2011-2012, 2012-2013, 2013-14, 2014-15 & Interim Dividend 2015-16 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 given schedule :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2009-2010	09.08.2010	08.08.2017
2010-2011 (Interim Dividend)	11.01.2011	10.01.2018
2010-2011 (Final Dividend)	01.08.2011	31.07.2018
2011-2012	09.08.2012	08.08.2019
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023

9. Members holding shares in single name and physical form are advised to make nomination in respect of their share-holding in the Company. Every person, who becomes the nominee under the provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
10. 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.
11. Information under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Mumbai in respect of Director seeking appointment / re-appointment at the Annual General Meeting is given hereunder :-
 Shri Naresh. Sardana retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
 Shri Naresh Sardana is B. E. (Electrical) and has served as Area Sales Manager (Middle East) with M/s. Brook Crompton International. He does not hold any other directorship and holds 1000 shares of our company. He has long association with the Company and has contributed significantly to the overall growth of the company over the years, the board, therefore, recommends his re-appointment.
12. (a) In accordance with the provisions of section 108 of The Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, the shareholders may exercise their option to transact through electronic voting system and the company is providing the facility for voting by electronic



means (e-voting) to all its 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 during the following voting period :

Commencement of e-voting : From 9.00 A.M. on 24th July, 2017

End of e-voting : Upto 5.00 P.M. on 26th July, 2017

E-voting shall not be allowed beyond 5.00 P.M. on 26th July, 2017. During E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut off date, may cast their vote electronically. The cut off date of e-voting is 21st July, 2017. The date of determination of shareholders for the purpose of dispatch of notice is 23rd June, 2017.

- (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.

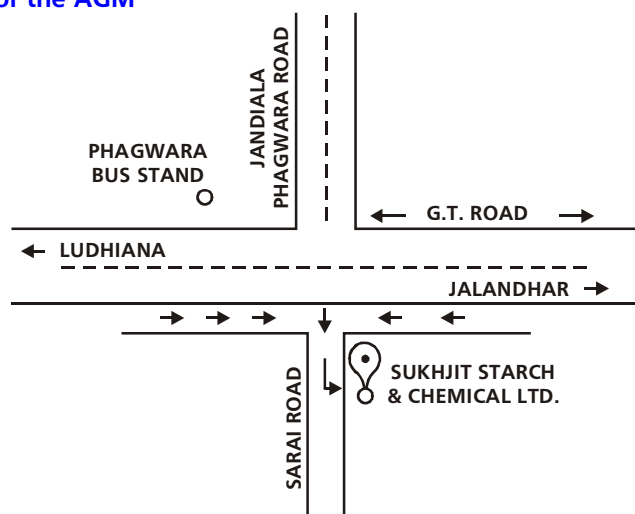
Process / Manner of e-voting - For the Shareholders :

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 - Shareholders, available at the downloads section of www.evoting.nsdl.com.

- (c) The login ID and password for e-voting are being sent to the members, who have not registered their e-mail IDs with the company, along with physical copy of the notice. Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail.
- (d) The Company has appointed Mr. Parminder Singh Rally, Practicing Company Secretary, Membership No.6861, as 'scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.

Route Map to the venue of the AGM





FROM THE DESK OF MANAGING DIRECTOR



I.K. Sardana

What Does Name 'Sukhjit' Mean

You are spiritually intense and can sting or charm. Your name brings love and new starts into life and attracts money. In business, you are the creator and promoter of original ideas and usually enjoy considerable financial success. Emergencies may raise your intuitive abilities in order to resolve conflict or situation. You become very creative under the pressure, and have quite original ideas to make the best out of it.

Position and social status is very important for you and you are always looking for way to improve your position in society. You have power and ability to chose your own destiny and achieve anything you want in life. You can expand in any direction according to your will and the set of values. You have passion for justice and belong to the position of authority. You have an inherent courage and endurance to accomplish 'The Impossible Dream'. With the power comes responsibility, you hold keys to the material world, but with this gift comes high spiritual responsibility to be fair and true to others. You are philosophical and mature, determined and intense with a desire to endure, often religious. *Source : <http://www.sevenreflections.com>*

"You can't build a great building on a weak foundation. You must have a solid foundation if you're going to have a strong superstructure."

Gordon B. Hinckley

Dear Fellow Shareholders,

As our first name suggests, we are quick and fluent in our expressions, we guard against boastfulness or dominating a situation, have vision and foresight to be able to organize others and to hold position of responsibility with poise and self-confidence and create an optimistic outlook on life and favorable conditions in the personal affairs.



Sukhjit will be 74 years old company this year. We will be celebrating our Diamond Jubilee next year with lot of confidence and excitement. The confidence of my team is on TOP as we have passed one of the most difficult times for starch industry in last 5 years. We are excited to achieve 1000 cr turnover by 2020.

Our company was started in 1944. We have seen ups and downs and trust me, following were the key words of our discussions when we were thinking about the future :

Local vendors, unorganized market, Exports Focus, Licence RAJ, Product-Mix change, Consolidation, Urban Infrastructure development, Sustainability, Cash flow management, Value-added products Focus approach, Labour problems, Efficiency, farmer betterment, monsoon, government change, policy paralysis, M & A, Food habits, global commodity prices, intense competition, industrial revolution, green revolution, electricity shortage, learning from errors, corruption, skill manpower shortage, IT boom and foreign players entering India.

With my 50 years of experience, whatsoever we could do, irrespective of the industry and its dynamics, if we worked with our SOUL and with consistency and strategy, there is no question of failure in the long run. In Sukhjit, we have demonstrated the same in last 74 years. As we work to build the India's most successful and enduring agribusiness and food-ingredient provider, we are mindful that creating a company for the ages requires more than just an effective strategy and outstanding execution. Let me proudly share that we are selling our products with MNC quality at Indian prices.

Today, every team member spends many hours daily for a sustainable long term growth. We Face challenges with clear Focus, unwavering Faith and steadfast Fortitude

Let me ensure you that our strong foundations along with the strategy for future growth is in the right direction.

We are investing close to ₹ 125cr in our most ambitious project - a Mega food Park with state of the art anchor unit with latest automated production line with captive power plant. Spread over 55 acres, the new facility will unleash economies of scale, size and scope and will result in a distinct competitive advantages. The plant will be fully operational by October 2019. The plant will also maintain a permanent R&D facility. There will be some end users of Sukhjit starch who will also setup their manufacturing units within the Mega Food Park. Integrated manufacturing at a single site would reduce the production cost owing to reduced transportation cost. There will also be a cold storage of 3000 Mts capacity and Silos/ warehousing facility of 25000Mts to ensure raw material consistency for Sukhjit and end users with in the Mega Food Park.

The new plant will also synergize the peoples potential as personnel of various skill sets shall work together collaboratively and cohesively, sharing learning and experience to create innovative and high-value products.

During the last 30 years, we deployed our unique combination of acumen and assets against an exceptional set of opportunities and challenges and again delivered reasonable financial results.

While we are committed to meeting our financial goals each quarter, we will remain focused on executing our longer-term strategy. The Company's strategy involves expanding the volume and diversity of products that it processes, expanding the global and regional reach of its core model and expanding its value-added product portfolio. The Company desires to execute this vision and these strategies by conducting its business in accordance with its core values of operating with integrity, treating others with respect, achieving excellence, being resourceful, displaying teamwork, and being responsible.



Our operational excellence initiatives have delivered significant savings and efficiencies, and we continue to grow strategically by expanding into new geographies and increasing our capabilities in food, beverages and feed. Those actions contributed to the improved results we saw in the 4th quarter despite still muted margin environments in some businesses and the continued momentum in the execution of our plan gives us confidence that we will deliver sustainable value creation.

We are beginning to see the benefits of our aggressive actions to improve our performance and continue to expect that results will improve as we move through the year.

The prices of agricultural commodities, which may fluctuate significantly and change quickly, directly affect the Company's working capital requirements. The inventory levels typically peak after the full harvest and are generally lower during the off season. Working capital requirements have historically trended with inventory levels. No material part of the Company's business is dependent upon a single customer or very few customers. Even as strong demand for crops and commodities challenged the supply chain, we continued to capture value for our shareholders as we met our customers in FMCG, Pharma, Paper and industrial products.

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

What this means in practice is that while we are committed to meeting or exceeding our near-term financial goals, we remain focused on our long-term strategy. Together, we will continue to focus on executing our strategy and adjusting our portfolio so that we can keep creating value for our customers and stockholders and in the process, create exciting new opportunities for you who drive our success.

With thanks, I offer full credit for the last year performance to the people of Sukhjit. While continuing to respect and indeed relish the traditional strengths of the company, they embraced a new focus, new people and a new set of expectations and disciplines, all is while maintaining an unwavering commitment to delivering quality and value for our customers and shareholders.

Last but not the least, I thank our valued customers, stakeholders, suppliers, business associates, shareholders, bankers and above all, my colleagues in Sukhjit for their continuous support and guidance. In every business scenario, we will follow our core values of hard work, integrity, team and social commitment.

Your Sincerely,

I.K. Sardana

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

RaghuramRajan



DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 73rd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2017 :-

1. FINANCIAL RESULTS

	2016-17	2015-16
	(₹ in Crores)	(₹ in Crores)
Sales & Other income	655.40	568.43
Earning before Interest, tax and Depreciation	52.91	63.07
Less :-		
– Interest	13.37	15.28
– Depreciation	11.77	12.11
– Provision for taxes (including Deferred Tax)	9.15	12.63
Profit After Tax	18.62	23.05
Surplus brought forward from previous year	7.81	9.21
Surplus available for appropriation	26.43	32.26
Dividend (including Corporate Tax)	4.44	4.44
Transfer to General Reserves	10.00	20.00
Surplus carried forward	11.99	7.81

2. PERFORMANCE

The Sales and other income of the Company have increased from ₹ 568 Crores to ₹ 655 Crores showing an increase of 15% y-o-y. The profitability has, however, not increased in line with the sales due to higher cost of basic raw material i.e. Maize being an agriculture produce, the availability of which remained a concern throughout the year due to consecutive draughts in the country. The Company has, however, controlled other expenditure in an effective way. The Earnings before interest, tax and Depreciation stood at ₹ 52.91 Crores (₹ 63.07 Crores) which after interest of ₹ 13.37 Crores (₹ 15.28 Crores) and Depreciation of ₹ 11.77 Crores (₹ 12.11 Crores) resulted in Net Profit before tax at ₹ 27.77 Crores (₹ 35.68 Crores).

3. FUTURE PROSPECTUS

With the prediction of normal monsoons during the running year, it is expected that the production of agriculture produce will improve resulting in availability of basic raw material at an optimum cost with positive impact on the profitability of the Company. Good production of the agricultural produce will also ensure continuous supply of raw material at all plant locations of the Company. The turnover of the Company is set to grow further due to optimum utilization of increased capacities at Malda and Gurplah plants.

The introduction of GST from 1st July, 2017 should also bode well for the trade and industry enabling your Company to further expand its outreach.



DIRECTORS' REPORT

4. 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.

5. 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 with the Stock Exchange, the Company has duly implemented the system of Corporate Governance. The report on Corporate Governance is annexed herewith marked as 'Annexure B' to this report.

6. DIVIDEND

The Directors are pleased to recommend a dividend of 50% (i.e. ₹ 5/- per Equity share of ₹ 10/- each) during the financial year ended 31st March, 2017 against interim dividend @ 50% paid in 2015-16.

7. TRANSFER TO RESERVES

The Company has transferred ₹ 10 crores (PY ₹ 20 crores) to the general reserve.

8. 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, 2017, the applicable Accounting Standards have been followed alongwith proper explanations relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year so ended;
- (c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- (d) the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2017 on a 'going concern' basis;
- (e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

9. DEPOSITS

All the deposits have been accepted/ renewed / repaid as per the provisions of the Act. The company had no unclaimed / unpaid deposits on 31/03/2017.

10. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara : The Company has incurred operational loss for the year under reference due to lower productivity. It expects to improve upon its performance during the running year.
- (b) Scott Industries Ltd., Phagwara : 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.



DIRECTORS' REPORT

- (c) Sukhjit Mega Food Park & Infra Ltd., Phagwara : The Mega Food Park has obtained all the necessary approvals/consents from the Central as well as State Government and the onsite work is expected to start within a month's time. The commissioning of the project will be as per the guidelines laid down by the Ministry of Food Processing Industries, Govt. of India.

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, Consolidated Financial Statements of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Accounting Standard(s) as prescribed under the Companies Act, 2013.

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2017 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company who may be interested in seeking such information and are also available for inspection by any shareholder of the Company at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiaries to any shareholder on demand.

11. CONTINGENT LIABILITY

Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 28.62 Crores. The amount mainly includes ₹ 25.98 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of 1.31 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner, ₹ 1.25 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 and balance on account of other Misc. service tax demands due to difference of opinion.

12. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

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

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the detail of the employees who are in receipt of remuneration over ₹ 60.00 Lacs p.a. if employed throughout the year or ₹ 5.00 Lacs p.m. if employed for a part of the year during 2016-17 given below :-



DIRECTORS' REPORT

(A) Persons employed through out the year and were in receipt of remuneration aggregating not less than ₹ 60.00 Lacs for the year:

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	71	Managing Director	117.26
2	Shri K.K. Sardana	69	Jt. Managing Director	106.20

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	51	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	46	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)

(B) Persons employed for a part of the year and were in receipt of remuneration at a rate not less than ₹ 5,00,000/- per month

– NIL –

Note : The Remuneration shown above includes salaries, allowances, commission, contribution to provident fund and perquisites valued in accordance with the income tax rules.

13. DIRECTORS

- In accordance with the provisions of the Act, Shri Naresh Sardana retires by rotation and being eligible, the Board recommends their reappointment.
- The Board also recommends the re-appointment of Sh. S. C. Jindal, Sh. S. K. Anand and Sh. V. P. Kapahi, as Independent Directors of the company for a further period of 3 years.
- The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence as prescribed in subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with Stock Exchange.
- Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the board and its committees which, inter-alia, includes evaluation of leadership abilities, contribution to corporate objectives & plans, regular monitoring, effective decision making ability, attendance and contribution at Board and Committee meetings etc. The committee has in place a suitable policy for the appointment & remuneration of the Directors/ KMPs.

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 measures the effectiveness of internal controls through



DIRECTORS' REPORT

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 to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance. Whistle Blower Policy of the Company stands placed on the Company's website at the link: http://sukhjitgroup.com/whistle_blower_policy.html.

16. AUDIT COMMITTEE

The Board has constituted Audit Committee of the Company with Sh. V.P. Kapahi as Chairman and Shri S.K. Anand, Shri K.K. Sardana and Shri S.C. Jindal as its members. All the recommendations made by the Audit Committee were accepted by the Board.

17. INTERNAL COMPLAINTS COMMITTEE

The Board has constituted an Internal Committee for redressal of grievance / complaint (if any) under Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013. However, no complaint has been received during the year.

18. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities conducted during the financial year 2016-17 is annexed herewith marked as 'Annexure D' to this report.

19. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. Their salaries/ remuneration have been fixed after due consideration by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. However, the transactions with subsidiary Companies are incurred after due appraisal and approval at Director's level / Audit Committee, which are in the ordinary course of business and are at per arm's length price, in terms of AS-18 and given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company stands placed on the Company's website at the link: http://sukhjitgroup.com/Policy_dealing.html

20. MEETINGS OF THE BOARD

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

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

Particulars of loans given and Investments made are provided in the standalone financial statement. The Company has given / provided some Guarantees/ Securities to the Govt. / other Departments in the ordinary course of business. However, there is no third party Guarantee/ security given / provided by the Company.

22. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return of the Company is annexed herewith as 'Annexure E' to this report.



DIRECTORS' REPORT

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

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

24. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

M/s VSAP & Associates, Chartered Accountants (FRN 018705N) have been appointed as Auditors of the company by the Board (subject to the approval of shareholders in the ensuing AGM) in place of the retiring auditors M/s Y.K. Sud & company, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 78th Annual General Meeting (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board and the Auditors.

The Auditors' report given by M/s. Y. K. Sud & Company, Chartered Accountants, does not have any qualification, reservation or adverse remark.

Cost Auditors :

The Board of Directors recommends, subject to the approval of the Central Government, the re-appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2017-18. The Cost Audit Report for the financial year ended 31st, March 2017 is due to be filed with the Ministry of Corporate affairs on or before the September, 2017 and the cost audit report for the financial year ended 31/03/2016 was duly filled on 29/09/2016.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit report for the financial year ended March 31, 2017 is annexed herewith marked as 'Annexure G' to this report. The Board of Directors have re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2017-18.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

25. ACKNOWLEDGEMENT

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

Yours truly,

For and on behalf of the Board,

Sd/-

S.C. JINDAL

Chairman

Dated : 24th May, 2017

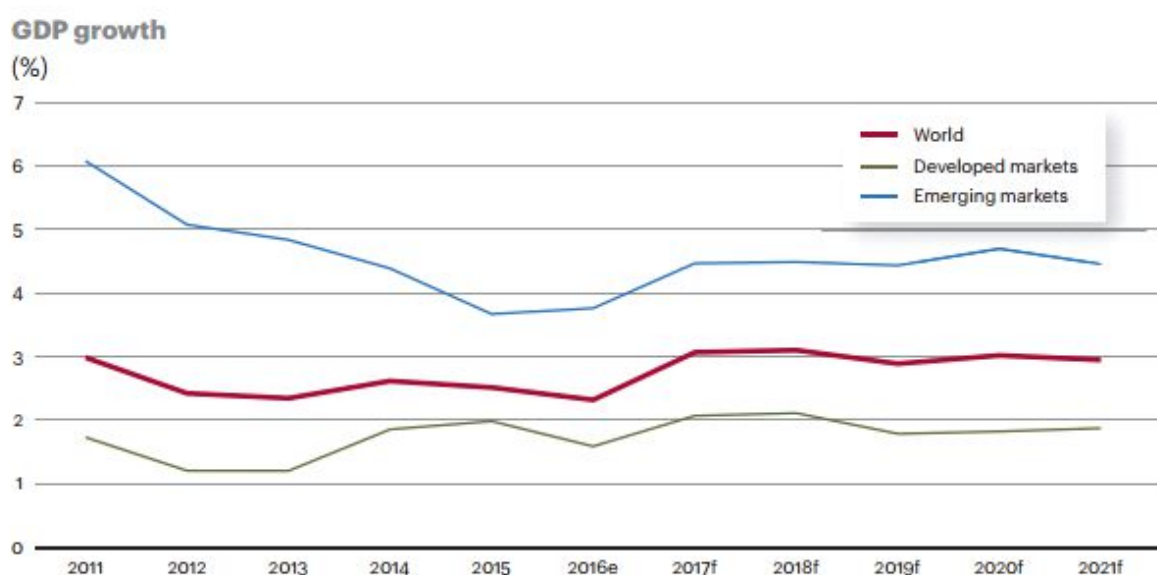


ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy Outlook

Global economic activity is picking up after a long awaited cyclical recovery in investment, manufacturing and trade. World growth is expected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018, slightly above the October 2016 as per World Economic Outlook (WEO) forecast. Stronger activity and expectations of more robust global demand, coupled with agreed restrictions on oil supply, have helped commodity prices recover from their troughs in early 2016. Higher commodity prices have provided some relief to commodity exporters and helped to lift global headline inflation and reduce deflationary pressures. Financial markets are buoyant and expect continued policy support in China and fiscal expansion and deregulation in the United States. India remains the standout among Asia's major economies, with expected GDP growth of 7.2 percent this year and 7.7 percent in 2018, compared to last year's 6.8 percent. Despite the recent "monetization shock," medium-term prospects remain favorable thanks to further supply-side reforms and other policies. If confidence and market sentiment remain strong, short-term growth could indeed surprise on the upside.



Source: Atkearney

Indian Economy Outlook

IMF's projection makes India the fastest growing major economy in 2016-17, with China estimated to have grown at 6.7% during 2016. China's economy is expected to steadily slow down to 6.6% in 2017 and 6.2% in 2018 due to the "complex process of rebalancing" by reorienting demand from exports and investment in consumption.

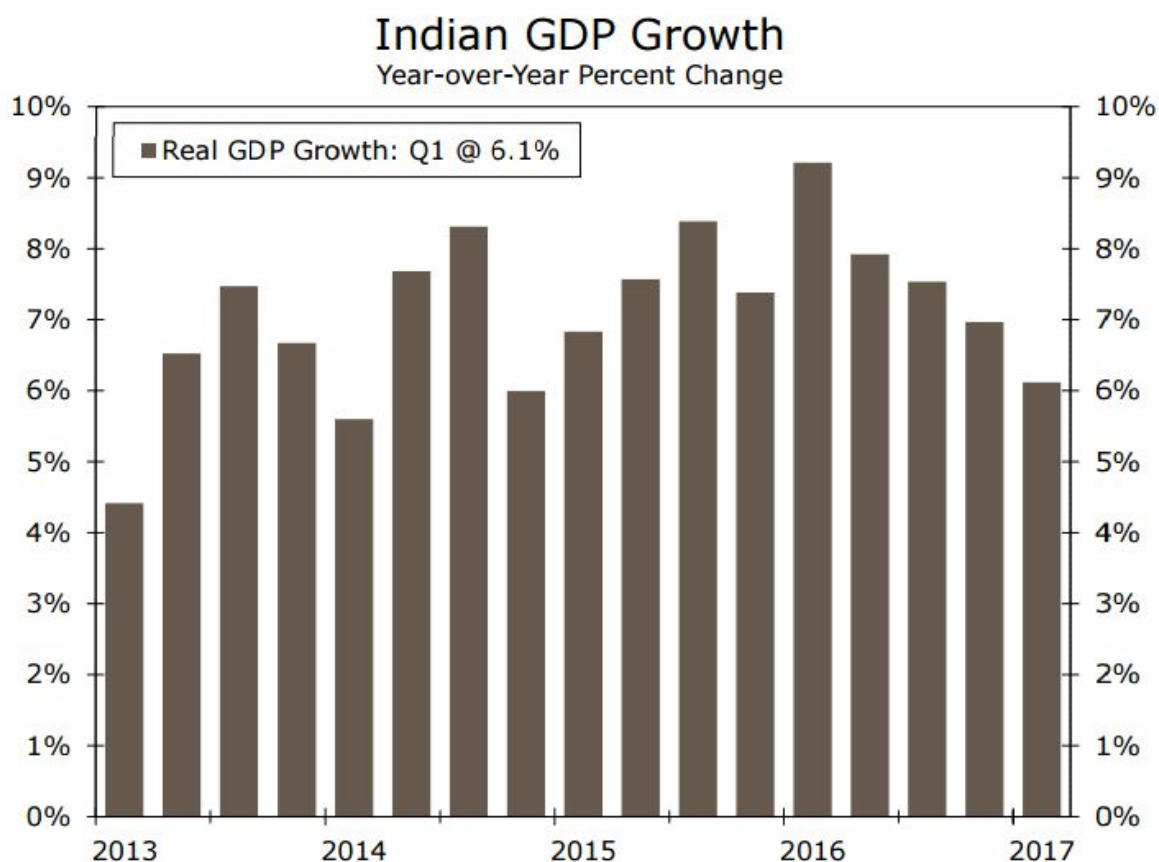
The Indian economy is entering a "productive growth phase" and real GDP growth is likely to rise to 7.2% in 2017-18 driven by favourable external demand, improving corporate balance sheets and private capex recovery, as per IMF. Productive growth phase is characterised as a period of improving growth while macro stability remains in



ANNEXURE 'A' TO THE DIRECTORS' REPORT

check and typically sets the stage for a sustained growth cycle. The Outlook said India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms, favourable terms of trade and lower external vulnerabilities.

As per Asian Development Bank (ADB), India's economy is set to grow at 7.4% in financial year 2017-18 against 7.1% the previous year, on the back of a pick-up in consumption demand and higher public investment.



Additionally, with GST into practice, there would be amalgamation of Central and State taxes into a single tax payment. It would also enhance the position of India in both, domestic as well as international markets. At the consumer level, GST would reduce overall tax burden, which is currently estimated at 25-30%.

Conclusively, Indian Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. The increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax and other measures to improve the ease of doing business are being implemented.

Trade openness has increased, partly driven by a competitive service sector. Manufacturing has lagged behind, with limited contribution to exports and job creation, leaving many workers in low-paid jobs. Promoting quality job creation in manufacturing would require reducing further restrictions on FDI and trade, modernising labour regulations



ANNEXURE 'A' TO THE DIRECTORS' REPORT

and providing better education and skills. Better infrastructure, transport and logistic services would facilitate manufacturing firms' access to global markets, particularly from remote and poorer regions.

Global Starch Industry

The Global industrial starch market, by volume, is projected to reach 113.9 MMT by 2022, at a CAGR of 3.80% from 2016. In terms of value, the Industry is projected to reach USD 106.64 Billion by 2022, at a CAGR of 6.64% from 2016. Growth in demand for convenience foods, and multiple functionalities of starch, starch derivatives & sweeteners in a diverse range of end-user industries are the factors driving this market.

"Asia-Pacific Leading at the Regional Front, driven by India"

While the industrial starches market is segmented by region into North America, Europe, Asia-Pacific, South America and Africa. Asia-Pacific has the major market share driven by India, the dominant position is due to the increasing consumption of starch, its derivatives, and sweeteners. Moreover, due to fewer raw materials & production costs, as well as less rigid environment regulations, Asia-Pacific is in a better position to produce starch at more competitive prices than developed countries of Europe and North America.

Corn Leading the Starch Market in India.

After cellulose, starch is the most abundant carbohydrate in nature. It is present in seeds, roots and tubers of higher plants for energy storage. Starch can be extracted from a wide variety of agricultural products. These include - corn, cassava, wheat and potato and in a lesser amount from rice, barley, sorghum, sago, etc. Corn currently represents the most popular feedstock accounting for around 80% of the total global starch production due to following main reasons :

- High starch content
- Thickening
- Adhesion

Additionally, Corn starch is obtained from the endosperm of the corn kernel. It is used in food, corrugation & paper making, textiles, etc. Its other applications in pharmaceuticals, cosmetics, etc. collectively accounted as the fastest-growing segments of the industrial starch market.

India - Corn Starch

Corn Starch production in India is very fragmented as there are a large number variety of producers or manufacturers with different production capacities.

Despite India having abundant supply of maize as well as the other raw materials used in the processing or production of corn starch, the same remains untapped due to legal restrictions relating to the use of modified starches in the country. As such, raw materials needed for the growth of the industry is not the issue that has to be tackled. The annual maize or corn production in India is around 25 million tonne. The main percentage of maize produced is used in its unprocessed form and only a small portion goes into use for corn starch production.

The main process which is used in the corn starch processing is corn wet milling. In spite of the fact that small



ANNEXURE 'A' TO THE DIRECTORS' REPORT

percentage of corn is used for corn starch production, the starch processing industry is one of the top 5 processing industries in the country. It is one of the few industries that have a development period of more than 15 years behind it. The growth of corn starch processing industry can be gauged from the very fact that about 40% of all the manufacturing companies involved in starch processing are new entrants to the field.

Corn Starch Sales Defined by Strong Demand for Sweeteners in Food and Beverage (FMCG) Industry

The basis of product, the corn starch market can be segmented into native starch, modified starch and sweeteners. The sweeteners segment currently dominates with a share of over 50% in the global corn starch market. The market for starch derivatives & sweeteners dominated in 2016, with the largest share in terms of volume consumption. The spiralling use of high fructose corn syrup (HFCS) in a variety of foods and beverages is a factor that will keep the demand for corn starch based sweeteners high.

Basis application, the corn starch market is segmented into FMCG, Paper Industry, Pharmaceuticals, Textiles and others. In the recent years, the FMCG's food and beverages segment accounted for the highest share in the global corn starch market by application and is anticipated to continue to remain the leader during the next decade.

The growing consumption of convenience foods and the healthy year-on-year growth in the paper and textile industries are creating highly a fertile ground for the growth in corn starch sales in India. Consumers of corn starch are seeking alternatives to cane sugar that are cheaper yet seamlessly fit into various applications, which is translating into high demand for corn starch.

Additionally, Industrial starches are largely used as adhesives in paper and packaging material manufacturing, etc. There is an increase in the demand for the adhesive in the packaging industry, which is helping its growth.

Maize Starch Applications in India

- 1. FMCG :** The fast moving consumer goods (FMCG) segment is the fourth largest sector in the Indian economy. The market size of FMCG in India is estimated to grow from US\$ 30 billion in 2011 to US\$ 74 billion in 2018. Food products is the leading segment, accounting for 43 per cent of the overall market. Personal care (22 per cent) and fabric care (12 per cent) come next in terms of market share. India's market for fast moving consumer goods (FMCG) is expected to more than double to \$104 billion by 2020 from the present level of \$49 billion, as per Assocham-TechSci research report 2016. The sector is expected to grow at a compounded annual growth rate (CAGR) of 20.6 per cent, the report said.
- 2. Paper Industry :** Despite the continued focus on digitisation, India's demand for paper is expected to rise over 50 percent in the next six years, primarily due to a sustained increase in the number of school-going children in rural areas. Growing consumerism, modern retailing, rising literacy and the increasing use of documentation will keep demand for writing and printing paper buoyant. Though India's per capita consumption is quite low compared to global peers, things are looking up and demand is set to rise from the current 13 MMT to an estimated 20 MMT by 2020. This indicates there is a lot of headroom for growth in India. From demand point of view, every one kg incremental per capita consumption results in additional demand of more than one MMT a year.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

In the last five years, the Indian paper sector has invested about ₹ 20,000 crore on capacity enhancement, technology upgradation and acquisitions. The sector is eager to expand capacity further.

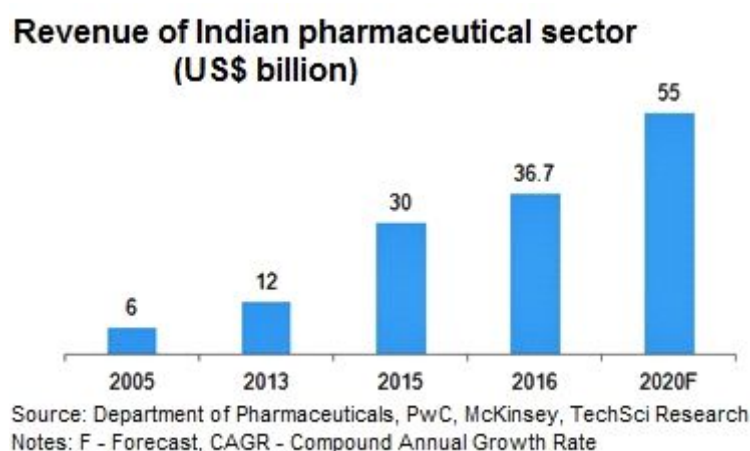
3. **Textile Industry :** The Indian textiles industry, currently estimated at around US\$ 108 billion, is expected to reach US\$ 223 billion by 2021. The Indian Textile Industry contributes approximately 5 per cent to India's Gross Domestic Product (GDP), and 14 per cent to overall Index of Industrial Production (IIP).

The Indian textile industry has the potential to reach US\$ 500 billion in size according to a study by Wazir Advisors and PCI Xylenes & Polyester. The growth implies domestic sales to rise to US\$ 315 billion from currently US\$ 68 billion. At the same time, exports are implied to increase to US\$ 185 billion from approximately US\$ 41 billion currently.

Indian exports of locally made retail and lifestyle products grew at a compound annual growth rate (CAGR) of 10 percent from 2013 to 2016, mainly led by bedding, bath and home decor products and textiles.

The textiles sector has witnessed a spurt in investment during the last five years. The industry (including dyed and printed) attracted Foreign Direct Investment (FDI) worth US\$ 2.41 billion during April 2000 to December 2016.

4. **Pharma Industry :**



The Indian pharma industry, which is expected to grow over 15 per cent per annum between 2015 and 2020, will outperform the global pharma industry, which is set to grow at an annual rate of 5 per cent between the same period. The market is expected to grow to US\$ 55 billion by 2020, thereby emerging as the sixth largest pharmaceutical market globally by absolute size, as stated by Mr Arun K Singh, former Indian Ambassador to the US.

India has also maintained its lead over China in pharmaceutical exports with a year-on-year growth of 11.44 per cent to US\$ 12.91 billion in FY 2015-16, according to data from the Ministry of Commerce and Industry. In addition, Indian pharmaceutical exports are poised to grow between 8-10 per cent in FY 2016-17. Imports of pharmaceutical products rose marginally by 0.80 per cent year-on-year to US\$ 1,641.15 million.

Overall drug approvals given by the US Food and Drug Administration (USFDA) to Indian companies have



ANNEXURE 'A' TO THE DIRECTORS' REPORT

nearly doubled to 201 in FY 2015-16 from 109 in FY 2014-15. The country accounts for around 30 per cent (by volume) and about 10 per cent (value) in the US\$ 70-80 billion US generics market.

The Union Cabinet has given its nod for the amendment of the existing Foreign Direct Investment (FDI) policy in the pharmaceutical sector in order to allow FDI up to 100 per cent under the automatic route for manufacturing of medical devices subject to certain conditions.

The drugs and pharmaceuticals sector attracted cumulative FDI inflows worth US\$ 14.53 billion between April 2000 and December 2016, according to data released by the Department of Industrial Policy and Promotion (DIPP).

Current opportunity

We firmly believe that the buying decision has been influenced by superior product quality. We are confident that our products are better in quality and in prices.

Our vision is to establish Sukhjit as a company known for its values, assertiveness and the acumen to adapt to an ever-changing environment

We felt that in a transforming India, a new consumer was emerging.

A consumer willing to upgrade. Even an industry procurement head needing to be proud about what input is being used in his product. From a complete focus on manufacturing and native starch products, the company graduated to value added products recently. These products are marked by product innovation and differentiated pricing. We are working on long-term strategy to build capacities for high margin value added products while at the same time making short- term interventions

- We strengthened our portfolio by shedding businesses that did not meet our long-term financial objectives.
- We are changing the product mix and will focus more on higher-margin value added products
- We broadened our regional footprint. We are entering emerging regional geographies
- And, we aggressively managed our costs and capital.

This work allowed us to maintain our balanced approach to capital allocation, which is to invest about 75 percent of our annual cash flow in value-creating growth projects while deploying around 25 percent either for strategic M&A or for returning to shareholders in the form of dividends.

CREATING A ROBUST BUSINESS MODEL

The starch industry is one of the most challenging.

The sector is marked by diverse variables and low Industry barriers on the one hand and a growing need for sustained increase in stakeholder value on the other.

The number of variables are many. Fluctuating raw material costs, evolving consumer preferences. changing cost of funds, capital intensiveness, need for R & D, consistent quality control and MNCs entering the sector

At Sukhjit, we graduated to a business model that we believe is likely to generate multi- year growth across industry cycles, largely insulating the company's financials from external realities.

In a sector marked by scale, the company is still the third largest in production with focus on Balance Sheet. This perspective influenced the company's capital allocation, product mix and realizations strategy, virtually defining the



ANNEXURE 'A' TO THE DIRECTORS' REPORT

company's personality. As a result, the company has compromised peak margins in exchange for sustained margins, strengthening corporate stability and ideal for a capital-intensive business in a high cost economy

EVOLVING PRODUCT MIX : Over the years we have evolved our product mix. This evolution has helped the company enhance productivity, improving return on employed capital and return on equity.

GEOGRAPHIC COVERAGE : The company will gradually evolve its personality from a conventional commodity company into a value-added supplier

FISCAL CONSERVATISM : The company has selected to pursue an incremental model, preferring to plough back its accruals into asset building as against the conventional mobilization of large debt in building manufacturing scale. Over time, this preference for accrual-based investing has translated into a relatively small Balance Sheet and high interest cover in a traditionally working capital-intensive sector

Sukhjit is among the most competitive company in the Industry. This competitiveness has been derived from the ability of the company to procure abundant raw material around the best price-value proposition and competitive onward conversion into quality finished products.

The Company has developed an eco-system of cost-effective raw material providers, marked by high quality and consistency standards. All raw materials are tested before use.

Consolidation: We believe that the companies within the sector will focus more on expanding their core business and continuing to aggressively outgrow the competition. Today, it's all about building scale. We must defend our leading positions in some areas. In next 2-3 years of GST implementation, the un-organised players will create a new wave of growth for organized players like Sukhjit, by spinning off their businesses in early stages of consolidation. The top four players in the industry will own 20% to 30% of their market, as the industry consolidates rapidly in next 5 years. Major players will begin to emerge, buying up competitors and forming huge capacities for the new emerging growth.

KEY DIFFERENTIATORS

Customer Satisfaction : Sukhjit delights customers through product innovation and price innovation, enhancing consumer value.

Relationship Driven : Sukhjit relationship-driven approach is reflected in long-term associations with customers, vendors and employees.

"Ability is what you're capable of doing. Motivation determines what you do. Attitude determines how well you do it"

... Lou Holtz

OPPORTUNITIES

Your Company is strategizing itself to move towards a new niche portfolio of components that will not only drive our profitability but also support our plan for sustained growth in medium to long term. With immense support from the Government and foreign investments FY 2017-18 is expected to be driven by strong domestic demand from FMCG, FOOD AND PAPER sectors. Your company over the years has strategize itself to serve these industries through competitive edge with impacting its profitability.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

The "Make in India" initiative of the Government coupled with the interest rate reduction cycle is expected to bring an economic revival and increase spending on infrastructure and related sectors. This will create a huge opportunity for the industrial as well as consumer products. The Government's Make in India initiative is aimed at reviving the manufacturing sector and increasing its percentage of GDP from 15% to 25%.

THREATS

Change in Government Policies : Your Company has threat from any substantial change of government policy that have direct or indirect effect on our business.

Technology advancement : New technological disruption in present scenario is always threat to an ongoing business. We try to minimize the threat by continuously evolving and advancing our technology to latest to improve efficiency in the work operations.

Investments by new players and MNCs to build bigger capacities

Human Resources

Human Capital has always been the most important and valuable assets to us, as the Company believes in retaining its employees. The Company takes pride in commitment, competence and dedication shown by its employees at all areas of business. 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 recruitments and selections. The Company firmly believes that in house human capital will see organization through success in today's highly competitive global environment. Industrial relations were cordial throughout the year and would likely to continue in future also.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

The Company has an internal control system, which ensures that all transactions are recorded satisfactorily and reported and that all assets are protected against loss from unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system carried out by a team under the direct supervision of the Head of Internal Audit. The findings of such internal audits are periodically reviewed by the management and suitable actions taken to address the gaps, if any. The Audit Committee of the Board meets at regular intervals and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance, information technology, risk analysis and risk management are 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 and sustaining economic, social and environmental capital and to pursue CSR projects, as and when required, that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

RISK FACTORS

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

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

Regulations of financial markets and instruments, including the Commodity Act, Consumer Protection Act besides the Market Infrastructure Regulation, create uncertainty and may lead to additional risks and costs, and could adversely affect the Company's agricultural commodity risk management practices. Future government policies may adversely affect the supply of, demand for, and prices of the Company's products; restrict the Company's ability to do business in its existing and target markets; and adversely affect the Company's revenues and operating results. 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, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, enforceability of legal agreements and judgments.

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

The Company is subject to industry-specific risks which could adversely affect the Company's operating results.

The Company's operating costs and the selling prices of certain finished products are sensitive to changes in energy prices. The Company's processing plants are powered principally by electricity and coal. The Company's transportation operations are dependent upon diesel fuel and other petroleum-based products. Significant increases in the cost of the items, including any consequences of regulation or taxation of greenhouse gases, could adversely affect the Company's production costs and operating results.

The Company is subject to economic downturns and regional economic volatilities, which could adversely affect the Company's operating results.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

The Company conducts its business and has substantial assets located in many geographic areas counter-parts. In addition, emerging market areas could be subject to more volatile operating conditions including, but not limited to, logistics limitations or delays, labour-related challenges, limitations or regulations affecting trade flows (such as concerning genetically modified organisms), local currency concerns, and other economic and political instability. Political fiscal instability could generate intrusive regulations in emerging markets potentially creating unanticipated assessments of taxes, fees, etc. Economic downturns and volatile market conditions could adversely affect the Company's operating results and ability to execute its long-term business strategies, thus reducing the Company's overall market value.

Fluctuations in energy prices could adversely affect the Company's operating results.

The Company is subject to risks which include, but are not limited to, product safety or quality; shifting consumer preferences; central, state, and local regulations on manufacturing or labeling; socially acceptable farming practices; environmental, health and safety regulations; and customer product liability claims. The liability which could result from certain of these risks may not always be covered by, or could exceed liability insurance related to product liability and food safety matters maintained by the Company. In addition, negative publicity caused by product liability and food safety matters may damage the Company's reputation. The occurrence of any of the matters described above could adversely affect the Company's revenues and operating results.

Certain of the Company's merchandised commodities and finished products are used as ingredients in livestock and poultry feed. The Company is subject to risks associated with economic or other factors which may adversely affect the livestock and poultry businesses, including the outbreak of disease in livestock and poultry. An outbreak of disease could adversely affect demand for the Company's products used as ingredients in livestock and poultry feed. A decrease in demand for ingredients in livestock and poultry feed could adversely affect the Company's revenues and operating results.

The Company is exposed to potential business disruption, including but not limited to disruption of transportation services, supply of non-commodity raw materials used in its processing operations.

The Company's business is capital-intensive in nature and the Company relies on cash generated from its operations and external financing to fund its growth and ongoing capital needs. Limitations on access to external financing could adversely affect the Company's operating results.

CAUTIONARY STATEMENT :

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



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 emphasises the need for full transparency and accountability in all its transactions, in order to protect the interests of its stakeholders. The company has always remained prompt and regular in discharging its statutory obligations and duties. The Company is also having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

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

2. BOARD OF DIRECTORS :

The Composition of the Board and category of Directors as on March 31, 2017 are given hereunder :

Category	Name of Directors	No. of Shares held
Promoter/Executive Directors	Shri I. K. Sardana (Managing Director)	549450
	Shri K. K. Sardana (Jt. Managing Director)	588228
	Shri M.G. Sharma (Executive Director (Fin) & CFO)	60
Non-Executive Promoter Directors	Smt. Ravi Chowdhry (Women Director)	254158
	Shri V. K. Sardana	32092
	Shri Naresh Sardana	1000
Independent Directors	Shri S.C. Jindal (Independent Chairman)	35220
	Shri S. K. Anand	1002
	Shri V. P. Kapahi	1000

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

During the Financial Year 2016-17, six Board meetings were held on 25/05/16, 24/06/16, 27/07/16, 08/10/16, 09/11/16 and 25/01/17.



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 & processes of the Company and the industry in which it operates. Periodic presentations are made at the Board meetings on business and performance updates of the Company, business strategy and risks involved. Details of the familiarization programme for the Independent Directors are available on the website of the Company-http://sukhjitgroup.com/familiarisation_programme.html

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

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies	Whether attended last AGM
Shri S.C. Jindal	Independent Chairman	3	–	–	N
Shri I.K. Sardana	Managing Director	6	3	3	Y
Shri K.K. Sardana	Jt. Managing Director	6	2	–	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	3	1	2	–
Shri V.K. Sardana	Non Executive Director	4	1	–	Y
Shri Naresh Sardana	Non Executive Director	2	–	–	Y
Smt. Ravi Chowdhry	Women Director	3	–	–	N
Shri S.K. Anand	Independent Director	5	–	–	Y
Shri V.P. Kapahi	Independent Director	5	–	–	Y

3. COMMITTEES OF THE BOARD

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

(i) Audit Committee :

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

The composition of the Audit Committee is given below :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

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

(ii) Corporate Social Responsibility (CSR) Committee :

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

(iii) Stake Holders' Relationship/Grievance Committee :

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

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

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

(iv) Nomination & Remuneration Committee :

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

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

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

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

Name	Salary	Commission	(Amount in ₹ Lacs)			Total
			Perquisite Value	Retirement Benefits	Sitting Fees	
Sh. I.K. Sardana	76.02	13.66	21.43	6.15	–	117.26
Sh. K.K. Sardana	74.90	13.66	11.58	6.05	–	106.20
Sh. M.G. Sharma	33.76	–	1.32	1.95	–	37.03



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

Remuneration Policy :

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

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
27/07/2016	Regd. Office, Phagwara	10.00 A.M.	No Special Resolution was considered/passed in AGM
29/07/2015	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri K.K. Sardana as the Jt. Managing Director of the Co. for five years. 2. Increase/revision in the Salary of Shri Puneet Sardana, V.P. (Operations) of Malda unit of the Co. 3. Increase/revision in the Salary of Shri Pankaj Sardana, V.P. (Operations) of Nizamabad unit of the Co. 4. Appointment of Smt. Ravi Chowdhry as Non Executive Women Director of the Company.
29/07/2014	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Acceptance of deposits from its members and the Public. 2. Increase/revision in the remuneration of Shri Bhavdeep Sardana, Sr. V.P. & CEO. 3. Increase/revision in the remuneration of Shri Dhiraj Sardana, Sr. V.P. & CEO.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 27th July, 2017.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

The Board had appointed Mr. Parminder Singh Rally, a Practicing Company Secretary, Membership No. 6861, as a 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 AS-18 and given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report.

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

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

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

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

6. MEANS OF COMMUNICATION :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

7. GENERAL SHAREHOLDERS INFORMATION

- | | | |
|---|---|--|
| (a) Annual General Meeting
Date, Time & Place | : | 27th July, 2017 at 10.00 A.M. at the
Registered Office of the Company at Phagwara. |
| (b) Financial Year | : | 2016–2017 |
| (c) Date of Book Closure | : | 22nd July, 2017 to 27th July, 2017 |
| (d) Dividend Payment | : | Within Statutory period |
| (e) Listing on Stock Exchange | : | Bombay Stock Exchange |
| (f) Stock Code | : | 524542 (Listing fee as applicable has been paid) |
| (g) CIN | : | L15321 PB1944 PLC 001925 |
| (h) 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 |
| (i) Dematerialization of Shares | : | The Company's Equity Shares are held in
dematerialized form on NSDL & CDSL. 6728846
shares i.e. 91.18% of equity capital have been
dematerialized as on 31.03.17 which include
4497948 shares held by promoters' (100% in Demat
form) and 2230898 shares held by public (77.41%
held in Demat form). |
| (j) Outstanding GDRs/ADRs/Warrants
or any convertible instruments, conversion
data and likely impact on equity. | : | The company has not issued any GDRs/ADRs/
warrants or any convertible instruments. |



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

	No. of Share Holders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on the date of opening of the suspense account	503	64,197
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	–	–
Number of shareholders to whom shares were transferred from the suspense account during the year	–	–
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2017	503	64,197

The voting rights on the shares outstanding in the suspense account as on 31st March, 2017 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

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

- (m) Distribution of Shareholding as on 31.3.2017

Category	No. of Shares	Percentage
1. Promoters (including 2,90,706 shares of NRI's)	44,97,948	60.95%
2. Banks, Financial Institutions, Govt. institutions etc.	5,314	0.07%
3. Corporate Bodies	1,87,815	2.55%
4. NRIs/FFIs/OCBs	31,885	0.43%
5. General Public	26,56,858	36.00%
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>

- (n) Share Transfer System :

91.18% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with our RTA and/ or Registered office of the company.

Transfer of shares in physical form is normally processed within ten to twelve working days from the date



ANNEXURE 'B' TO THE DIRECTORS' REPORT

of receipt, if the documents are complete in all respects. The Share transfer committee, under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

- (o) Commodity price risk or foreign exchange risk and hedging activities:
Please refer to Management Discussion and Analysis Report for the same.
- (p) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2016-2017 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2016	26100.54	24523.20	263.90	233.00
May, 2016	26837.20	25057.93	264.00	236.80
June, 2016	27105.41	25911.33	273.00	231.10
July, 2016	28240.20	27034.14	353.00	246.50
Aug., 2016	28532.25	27627.97	380.55	300.00
Sept., 2016	29077.28	27716.78	373.75	310.00
Oct., 2016	28477.65	27488.30	403.70	325.00
Nov., 2016	28029.80	25717.93	405.00	250.00
Dec., 2016	26803.76	25753.74	276.20	240.00
Jan., 2017	27980.39	26447.06	298.90	251.10
Feb., 2017	29065.31	27590.10	297.95	270.10
March, 2017	29824.62	28716.21	309.55	276.50

8. LOCATION OF PLANTS

- (i) The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (PB.)
Phone No. (01824) 468800, 260314
Fax No. : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com
- (ii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (Telangana)
Phone No. (08462) 237568, 237521
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com
- (iii) Sukhjit Starch Industries
WBIIIDC Growth Centre,
N.H. 34, Narayanpur,
MALDA (W.B.)
Phone No. (03512) 263027, 263029, 263032
Fax No. (03512) 263026
E-mail : sukhjitmalda@gmail.com
- (iv) 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 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 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 2016-17 (Rs. In Lacs)	% increase in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation			
1.	I.K. Sardana (Managing Director)	117.26	7.28	80.62
2.	K.K. Sardana (Jt. Managing Director)	106.20	3.79	73.19
3.	S.C. Jindal (Chairman)	4.64	–	3.20
4.	V.K. Sardana (Non-Executive Director)	4.91	–	3.39
5.	S.K. Anand (Non-Executive Director)	5.00	–	3.45
6.	Naresh Sardana (Non-Executive Director)	4.73	–	3.26
7.	V.P. Kapahi (Non-Executive Director)	5.00	–	3.45
8.	Ravi Chowdhry (Non-Executive Women Director)	4.64	–	3.20
9.	M.G. Sharma (Executive Director (Fin.) & C.F.O.)	37.03	43.65	25.52
10.	Aman Setia (V.P. (Fin.) & Company Secretary)	21.88	40.45	N.A.

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

- (iii) The percentage increase in the median remuneration of employees had been 7.95% during the financial year.
- (iv) There were 1135 permanent employees on the rolls of Company as on March 31, 2017.
- (v) The average increase in remuneration of employees/ workers had been well in line with the Company's performance.



ANNEXURE 'C' TO THE DIRECTORS' REPORT

- (vi) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 11.62% i.e. from ₹ 252.98 lacs to ₹ 282.36 lacs in the financial year 2016-17 as per revision in the salary of senior management personnel of the company.
- (vii) (a) The market capitalization of the company as on March 31, 2017 was ₹ 220.62 crores as compared to ₹ 174.31 crores at the end of the preceding financial year.
(b) Price Earning Ratio of the company as on 31/03/2017 was 11.85 times as compared to 7.56 times as on 31/03/2016.
(c) Percentage increase in the market price of shares in comparison with the last public offer price (₹ 10 in year 1983-84) is 17810, taking into effect the bonus shares issued by the company from time to time.
- (viii) Average percentage increase made in the salaries of employees/workers other than the managerial personnel in last financial year i.e. 2015-16 was 8.63% whereas the increase in the managerial remuneration was around 11.64% in accordance with increased operations of the company.
- (ix) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 11.62% as per general increments given to the other executives in overall.
- (x) The key parameters for the variable component of remuneration availed by the directors: - The Commission is the only variable component of remuneration payable to the directors and since it being related to the profits of the Company, it clearly gets paid according to the profits of the Company.
- (xi) There is no such employee who is not director of the company and received remuneration in excess of the highest paid director during the year.
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES

The inclusion of the CSR mandate under the Companies Act, 2013 is an attempt to supplement the Government's efforts of equitably delivering the benefits of growth and to engage the Corporate World with the country's development agenda. The practice of CSR is not new to Sukhjit. Company's Corporate Social Responsibility (CSR) efforts in the last financial year have been concentrated on initiatives which contribute to nation building.

The Corporate Social responsibility (CSR) is a planned set of activities aiming to actively contribute to the social and economic development of the communities in which it operates. It endeavors to make a positive contribution to the communities by supporting a wide range of social, educational and health initiatives.

Your Company has an ongoing vibrant CSR program in line with its CSR Policy, of which some of the notable ongoing investments are in providing education and health care facilities to the socially and economically disadvantaged communities, scholarship programs & providing opportunities to youth from low income group families to provide coaching to meritorious students to pursue their graduate and post graduate studies.

It is the company's intent to make a positive difference to the society by conducting other CSR programs like providing infrastructural support, environment sustainability, rural development, eradicating hunger, help to draught hit farmers, preventive health care, caring old age homes, women empowerment and initiatives for physically & mentally challenged people etc.

The CSR activities being undertaken by the Company under its CSR policy mainly includes :

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

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

Health & Safety : The company has joined hands with many organizations to promote health & safety of needy people and some of the contributions include :

- A Blood donor council which, besides, organizing blood donation awareness camps, donates free blood to Thalassaemia patients on a regular basis and at a concessional cost to the others with timely availability to meet the emergent needs.
- Bi-monthly free dental care camps with supplies of free dentures to the old people.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

- Free eye care and operation camps for the needy and poor patients of the area on a regular basis.
- Cancer awareness camps have been organized periodically, to create necessary awareness, early detection and control.
- Generous financial contribution and management assistance to Help Age International Charitable Trust (Regd.), which serves over 100 residential inmates providing free boarding and full medical care to the old orphans, handicapped and blind persons.

The Corporate Social Responsibility (CSR) policy of the company has been placed at web link http://sukhjitgroup.com/csr_policy.html.

The company will serve its communities by :

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

CSR Committee :

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

Prescribed CSR Expenditure:

Our Company is required to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, as per the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 read with the provisions of the Companies (Corporate Social Responsibility Policy) amended Rules, 2016. The Net Profits in terms of Section 198 of the Companies Act, 2013, appear as follows :

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2015-16	3570.40
2014-15	3484.55
2013-14	2225.51
Average net Profits	3093.49
2% of above	61.87



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Details of CSR Spent :

Prescribed CSR expenditure = 61.87 lacs

Actual CSR expenditure = 64.20 lacs

Manner in which the amount spent during the financial year is detailed below :

(in ₹ Lacs)

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	- Provision for food to poor & needy people - Preventive Health Care - Sanitation	(Cl. i of Sch. VII) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Phagwara (Pb.), Ludhiana (Pb.), Triupati (A.P.)	21.00	22.75	22.75	Direct & through implementing agency
2.	- Education - Employment to differently abled - Livelihood Enhancement Projects	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.), Nizamabad (Telangana) Pune (Maharashtra)	24.00	24.33	24.33	Direct & through implementing agency
3.	Old age homes and homes for orphans	(Cl. iii of Sch. VII) Promoting gender equality, empowering women, setting up of homes and hostels for women & orphans, Setting up old age homes etc.	VPO Virk, Distt Jalandhar (Pb.),	6.00	6.12	6.12	Through Implementing agency



ANNEXURE 'D' TO THE DIRECTORS' REPORT

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4.	- Environmental sustainability	(Cl. iv of Sch. VII) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air and water.	Phagwara (Pb.) Nizamabad (Telangana)	10.00	10.10	10.10	Direct & through implementing agency
5.	- Infrastructure Development	(Cl. x of Sch. VII) Rural development projects	Distt. Nizamabad (Telangana)	1.00	0.90	0.90	Direct & Through Implementing Agency
	TOTAL			62.00	64.20	64.20	

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

Sd/-
(K.K. Sardana)
Chairman
CSR Committee

Sd/-
(S.C. Jindal)
Member
CSR Committee

Sd/-
(V.P. Kapahi)
Member
CSR Committee



ANNEXURE 'E' TO THE DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S.No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	The Vijoy Steel and General Mills Co. Ltd.	U19113PB1945PLC001956	SUBSIDIARY	96.17	2(87)
2	Scott Industries Limited	U18101PB1997PLC020568	SUBSIDIARY	99.97	2(87)
3	Sukhjit Mega Food Park & Infra Limited	U45209PB2015PLC039547	SUBSIDIARY	99.65	2(87)



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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	41,88,265	-	41,88,265	56.75	4,203,655	-	42,03,655	56.96	15,390	0.20
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	2,087	-	2,087	0.03	3,587	-	3,587	0.05	1,500	0.02
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	41,90,352	-	41,90,352	56.78	42,07,242	-	42,07,242	57.01	16,890	0.22
(2) Foreign										
a) NRI- Individuals	2,86,706	-	2,86,706	3.89	2,90,706	-	2,90,706	3.94	4,000	0.06
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	2,86,706	-	2,86,706	3.89	2,90,706	-	2,90,706	3.94	4,000	0.06
Total Shareholding of Promoter										
(A)=(A)(1)+(A)(2)	44,77,058	-	44,77,058	60.67	44,97,948	-	44,97,948	60.95	20,890	0.28
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	21,314	-	21,314	0.29	5,314	-	5,314	0.07	(16,000)	(0.22)
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	21,314	-	21,314	0.29	5,314	-	5,314	0.07	(16,000)	(0.22)
(2) Non Institutions										
a) Bodies corporates										
i) Indian	1,82,609	632	1,83,241	2.48	1,79,890	866	1,80,756	2.45	(2,485)	(0.03)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	11,43,017	5,68,756	17,11,773	23.20	11,37,363	5,31,151	16,68,514	2,261	(43,259)	(0.59)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	7,85,838	1,18,397	9,04,235	12.25	7,94,551	1,18,397	9,12,948	12.37	8,713	0.12
c) Others (specify)	81,639	560	82,199	1.11	1,13,780	560	1,14,340	1.55	32,141	0.44
SUB TOTAL (B)(2):	21,93,103	6,88,345	28,81,448	39.04	22,25,584	6,50,974	28,76,558	38.98	(4,890)	(0.06)
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	22,14,417	6,88,345	29,02,762	39.33	22,30,898	6,50,974	28,81,872	39.05	(20,890)	(0.28)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	66,91,475	6,88,345	73,79,820	100	67,28,846	6,50,974	73,79,820	100	-	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ROHIT GROVER	300	0.00	0	300	0.00	0	0.00
2	VEER PRATAP SARDANA	1532	0.02	0	1532	0.02	0	0.00
3	NAVIN SARDANA (HUF)	1908	0.03	0	1908	0.03	0	0.00
4	NIKHIL SARDANA	2400	0.03	0	2400	0.03	0	0.00
5	KABIR SARDANA	2400	0.03	0	2400	0.03	0	0.00
6	NIDHI SARDANA	2606	0.04	0	2736	0.04	0	0.00
7	DIVYA SARDANA	3578	0.05	0	3578	0.05	0	0.00
8	UDAY PRATAP SARDANA	4540	0.06	0	4540	0.06	0	0.00
9	DIPIKA SARDANA	5500	0.07	0	5500	0.07	0	0.00
10	SONA SARDANA	6469	0.09	0	6469	0.09	0	0.00
11	DIPTI SARDANA	6741	0.09	0	6741	0.09	0	0.00
12	AMITA MENON	7000	0.09	0	0	0.00	0	(0.09)
13	NANDINI OBEROI	7366	0.10	0	7366	0.10	0	0.00
14	SONIA MONGIA	10416	0.14	0	10416	0.14	0	0.00
15	KAMALA ANAND SARDANA	10788	0.15	0	0	0.00	0	(0.15)
16	NARENDRA RAJINDER KHANNA	11300	0.15	0	0	0.00	0	(0.15)
17	RADHIKA MONGIA	11400	0.15	0	11400	0.15	0	0.00
18	PADMINI MONGIA	12976	0.18	0	12976	0.18	0	0.00
19	ANAND KUMAR SARDANA	26620	0.36	0	0	0.00	0	(0.36)
20	VERINDER KUMAR SARDANA	32092	0.43	0	32092	0.43	0	0.00
21	SURENDRA NATH GADI	33000	0.45	0	38000	0.51	0	0.07
22	MEENAXI GADI	35000	0.47	0	40000	0.54	0	0.06
23	UMA LOHTIA	42820	0.58	0	42820	0.58	0	0.00
24	PRABHA GROVER	42832	0.58	0	42832	0.58	0	0.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

25	ASHOK SARDANA	42900	0.58	0	42900	0.58	0	0.00
26	SHALINI CHABLANI	43757	0.59	0	43757	0.59	0	0.00
27	NALINI KALRA	44211	0.60	0	44211	0.60	0	0.00
28	USHA MONGIA	48840	0.66	0	48840	0.66	0	0.00
29	NAVIN SARDANA	76278	1.03	0	79778	1.08	0	0.05
30	NANDINI KAUSHIK	114286	1.55	0	117786	1.60	0	0.05
31	INDER KRISHAN SARDANA (HUF)	127930	1.73	0	127930	1.73	0	0.00
32	SUMAN SARDANA	135794	1.84	0	135794	1.84	0	0.00
33	KULDIP KRISHAN SARDANA (HUF)	142383	1.93	0	142383	1.93	0	0.00
34	MANJOO SARDANA	157381	2.13	0	157381	2.13	0	0.00
35	RANI SARDANA	174692	2.37	0	174692	2.37	0	0.00
36	DHIRAJ SARDANA	410693	5.57	0	418938	5.68	0	0.11
37	PANKAJ SARDANA	412414	5.59	0	418664	5.67	0	0.08
38	BHAVDEEP SARDANA	416084	5.64	0	416084	5.64	0	0.00
39	PUNEET SARDANA	416833	5.65	0	420833	5.70	0	0.05
40	INDER KRISHAN SARDANA	534896	7.25	0	549450	7.45	0	0.20
41	KULDIP KRISHAN SARDANA	567309	7.69	0	588228	7.97	0	0.28
		4188265	56.75		4203655	56.96	0	0.20
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	2087	0.03	0	3587	0.05	0	0.02
		2087	0.03		3587	0.05	0	0.02
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	1000	0.01	0	1000	0.01	0	0.00
2	ROHINI SARDANA	33548	0.45	0	33548	0.48	0	0.03
3	RAVI CHOWDHRY	252158	3.42	0	254158	3.44	0	0.03
		286706	3.88	0	290706	3.94	0	0.06
	Total	4477058	60.67		4497948	60.95	0	0.28



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 (01.04.2016) / End of year (31.03.2017)		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	Navin Sardana	76278	1.03	01.04.2016				
				16.12.2016	3500	Transfer	79778	1.08
		79778	1.08	31.03.2017			79778	1.08
2	Amita Menon	7000	0.09	01.04.2016				
				03.02.2017	(7000)	Transfer	0	-
		0	-	31.03.2017			0	-
3	Kuldip Krishan Sardana	567309	7.69	01.04.2016				
				08.07.2016	1500	Transfer	568809	7.71
				15.07.2016	1300	Transfer	570109	7.73
				05.08.2016	2064	Transfer	572173	7.75
				19.08.2016	2000	Transfer	574173	7.78
				06.01.2017	3200	Transfer	577373	7.82
				03.02.2017	3600	Transfer	580973	7.87
				10.02.2017	3555	Transfer	584528	7.92
				17.02.2017	433	Transfer	584961	7.93
				24.02.2017	67	Transfer	585028	7.93
				24.03.2017	2700	Transfer	587728	7.96
				31.03.2017	500	Transfer	588228	7.97
		588228	7.97	31.03.2017			588228	7.97
4	Inder Krishan Sardana	534896	7.25	01.04.2016				
				08.07.2016	4490	Transfer	539386	7.31
				15.07.2016	2700	Transfer	542086	7.35
				05.08.2016	2164	Transfer	544250	7.37
				17.02.2017	1500	Transfer	545750	7.40
				24.02.2017	500	Transfer	546250	7.40
				24.03.2017	2700	Transfer	548950	7.44
				31.03.2017	500	Transfer	549450	7.45
		549450	7.45	31.03.2017			549450	7.45
5	Nidhi Sardana	2606	0.04	01.04.2016				
				23.09.2016	100	Transfer	2706	0.04
				30.09.2016	30	Transfer	2736	0.04
		2736	0.04	31.03.2017			2736	0.04
6	Pankaj Sardana	412414	5.59	01.04.2016				
				17.06.2016	1000	Transfer	413414	
				13.01.2017	1600	Transfer	415014	
				10.02.2017	3650	Transfer	418664	5.67
		418664	5.67	31.03.2017			418664	5.67
7	Puneet Sardana	416833	5.65	01.04.2016				
				17.06.2016	4000	Transfer	420833	5.70
		420833	5.70	31.03.2017			420833	5.70

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

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2016) / End of year (31.03.2017)		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
8	Dhiraj Sardana	410693	5.57	01.04.2016				
				27.05.2016	3095	Transfer	413788	5.61
				13.01.2017	1600	Transfer	415388	5.63
				10.02.2017	3550	Transfer	418938	5.68
		418938	5.68	31.03.2017			418938	5.68
9	Meenaxi Gadi	35000	0.47	01.04.2016				
				10.02.2017	5000	Transfer	40000	0.54
		40000	0.54	31.03.2017			40000	0.54
10	Surendra Nath Gadi	33000	0.45	01.04.2016				
				10.02.2017	5000	Transfer	38000	0.51
		38000	0.51	31.03.2017			38000	0.51
11	Rohini Sardana	33548	0.45	01.04.2016				
				19.08.2016	2000	Transfer	35548	0.48
		35548	0.48	31.03.2017			35548	0.48
12	Anand Kumar Sardana	26620	0.36	01.04.2016				
				30.09.2016	(26620)	Transfer	0	-
		0	-	31.03.2017			0	-
13	Ravi Chowdhry	252158	3.42	01.04.2016				
				19.08.2016	2000	Transfer	254158	3.44
		254158	3.44	31.03.2017			254158	3.44
14	Sukhmani Ventures Pvt Ltd	2087	0.03	01.04.2016				
				17.02.2017	1500	Transfer	3587	0.05
		3587	0.05	31.03.2017			3587	0.05
15	Nandani Kaushik	114286	1.55	01.04.2016				
				09.12.2016	3500	Transfer	117786	1.60
		117786	1.60	31.03.2017			117786	1.60
16	Narendra Rajinder Khanna	11300	0.15	01.04.2016				
				12.08.2016	(6000)	Transfer	5300	0.07
				27.01.2017	(5300)	Transfer	0	-
		0	-	31.03.2017			0	-
17	Uma Lohtia	42820	0.58	01.04.2016				
				18.11.2016	(3100)	Transfer	39720	
				25.11.2016	3100	Transfer	42820	0.58
		42820	0.58	31.03.2017			42820	0.58
18	Kamala Anand Sardana	10788	0.15	01.04.2016				
				30.09.2016	(10788)	Transfer	0	-
		0	-	31.03.2017			0	-

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 (01.04.2016) /End of year (31.03.2017)		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 Sindhani	112520	1.52	01.04.2016				
					NIL	No Change		
		112520	1.52	31.03.2017			112520	1.52
2	Satish Kumar	75911	1.03	01.04.2016				
				08.04.2016	(515)	Transfer	75396	1.02
				24.06.2016	(139)	Transfer	75257	1.02
				30.06.2016	(900)	Transfer	74357	1.01
				22.07.2016	(1786)	Transfer	72571	0.98
				29.07.2016	(12110)	Transfer	60461	0.82
				02.09.2016	(1300)	Transfer	59161	0.80
				11.11.2016	(3710)	Transfer	55451	0.75
				18.11.2016	(1870)	Transfer	53581	0.73
				16.12.2016	2862	Transfer	56443	0.76
		56443	0.76	31.03.2017			56443	0.76
3	Seetha Kumari	33175	0.45	01.04.2016				
				26.08.2016	251	Transfer	33426	0.45
				30.09.2016	1488	Transfer	34914	0.47
				07.10.2016	3749	Transfer	38663	0.52
				14.10.2016	6149	Transfer	44812	0.61
				24.02.2017	(1590)	Transfer	43222	0.59
				03.03.2017	1590	Transfer	44812	0.61
		44812	0.61	31.03.2017			44812	0.61
4	Ajay Chandra Agarwal	43945	0.60	01.04.2016				
					NIL	No Change		
		43945	0.60	31.03.2017			43945	0.60
5	Manoj Kumar Agarwal	43434	0.59	01.04.2016				
					NIL	No Change		
		43434	0.59	31.03.2017			43434	0.59
6	Varun Bansal	49767	0.67	01.04.2016				
				08.07.2016	(10000)	Transfer	39767	0.54
		39767	0.54	31.03.2017			39767	0.54



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2016) /End of year (31.03.2017)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
7	Virendra Pal Singh	0	-	01.04.2016				
				16.12.2016	250	Transfer	250	0.00
				23.12.2016	4750	Transfer	5000	0.07
				30.12.2016	1254	Transfer	6254	0.08
				06.01.2017	2746	Transfer	9000	0.12
				27.01.2017	2132	Transfer	11132	0.15
				03.02.2017	868	Transfer	12000	0.16
				17.02.2017	4741	Transfer	16741	0.23
				24.02.2017	2650	Transfer	19391	0.26
				03.03.2017	2200	Transfer	21591	0.29
				10.03.2017	7684	Transfer	29275	0.40
				17.03.2017	725	Transfer	30000	0.41
				24.03.2017	274	Transfer	30274	0.41
				31.03.2017	226	Transfer	30500	0.41
		30500	0.41	31.03.2017			30500	0.41
8	Aashray Agarwal	30109	0.41	01.04.2016				
					NIL	No Change		
		30109	0.41	31.03.2017			30109	0.41
9	Saroj Manaktala	26806	0.36	01.04.2016				
					NIL	No Change		
		26806	0.36	31.03.2017			26806	0.36
10	Trilok Nath Sindhwani	26800	0.36	1.04.2016				
					NIL	No Change		
		26800	0.36	31.03.2017			26800	0.36

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2016) /End of year (31.03.2017)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Inder Krishan Sardana	534896	7.25	01.04.2016				
	(Managing Director)			08.07.2016	4490	Transfer	539386	7.31
				15.07.2016	2700	Transfer	542086	7.35
				05.08.2016	2164	Transfer	544250	7.37
				17.02.2017	1500	Transfer	545750	7.40
				24.02.2017	500	Transfer	546250	7.40
				24.03.2017	2700	Transfer	548950	7.44
				31.03.2017	500	Transfer	549450	7.45
		549450	7.45	31.03.2017			549450	7.45



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 (01.04.2016) / End of year (31.03.2017)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
2	Kuldip Krishan Sardana	567309	7.69	01.04.2016				
	(Joint Managing Director)			08.07.2016	1500	Transfer	568809	7.71
				15.07.2016	1300	Transfer	570109	7.73
				05.08.2016	2064	Transfer	572173	7.75
				19.08.2016	2000	Transfer	574173	7.78
				06.01.2017	3200	Transfer	577373	7.82
				03.02.2017	3600	Transfer	580973	7.87
				10.02.2017	3555	Transfer	584528	7.92
				17.02.2017	433	Transfer	584961	7.93
				24.02.2017	67	Transfer	585028	7.93
				24.03.2017	2700	Transfer	587728	7.96
				31.03.2017	500	Transfer	588228	7.97
		588228	7.97	31.03.2017			588228	7.97
3	Ravi Chowdhry	252158	3.42	01.04.2016				
	(Women Director)			19.08.2016	2000	Transfer	254158	3.44
		254158	3.44	31.03.2017			254158	3.44
4	V. K. Sardana	32092	0.43	01.04.2016				
	(Director)				NIL	No Change		
		32092	0.43	31.03.2017			32092	0.43
5	S. C. Jindal	35220	0.48	01.04.2016				
	(Director)				NIL	No Change		
		35220	0.48	31.03.2017			35220	0.48
6	Naresh Sardana	1000	0.01	01.04.2016				
	(Director)				NIL	No Change		
		1000	0.01	31.03.2017			1000	0.01
7	V. P. Kapahi	1000	0.01	01.04.2016				
	(Director)				NIL	No Change		
		1000	0.01	31.03.2017			1000	0.01
8	S. K. Anand	1002	0.01	01.04.2016				
	(Director)				NIL	No Change		
		1002	0.01	31.03.2017			1002	0.01
9	M G Sharma	60	0.00	01.04.2016				
	(Executive Director (Fin) & CFO)				NIL	No Change		
		60	0.00	31.03.2017			60	0.00
10	Aman Setia	-	-	01.04.2016				
	(Vice President Finance & Company Secretary)	0	-	31.03.2017	NIL	No Change	0	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

V. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Indebtedness	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	6,765.07	1,000.00	4,060.06	11,825.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	248.41	248.41
Total (i+ii+iii)	6,765.07	1,000.00	4,308.47	12,073.54
Change in Indebtedness during the financial year				
Additions	-	-	459.82	
Reduction	1,587.88	-	-	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	5,177.19	1,000.00	4,449.59	10,626.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	318.70	318.70
Total (i+ii+iii)	5,177.19	1,000.00	4,768.29	10,945.48

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross Salary	Sh. I.K. Sardana	Sh. K.K. Sardana	Sh. M.G. Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	76.02	74.90	33.76	184.68
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	21.43	11.59	1.32	34.34
2	Commission (as % of profit)	13.66	13.66	--	27.32
3	Others (Retirement Benefits)	6.15	6.05	1.95	14.15
	Total (A)	117.26	106.20	37.03	260.49
	Ceiling as per the Act				273.15



ANNEXURE 'E' TO THE DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS :

S.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Sh. S.C. Jindal	Sh. S.K. Anand	Sh. V.P. Kapahi	
	(a) Fee for attending board / committee meetings	0.09	0.45	0.45	0.99
	(b) Commission	4.55	4.55	4.55	13.65
	Total (1)	4.64	5.00	5.00	14.64
2	Other Non Executive Directors	Sh. V.K. Sardana	Smt. Ravi Chowdhry	Sh. Naresh Sardana	
	(a) Fee for attending board / committee meetings	0.36	0.09	0.18	0.63
	(b) Commission (as % of profit)	4.55	4.56	4.55	13.66
	Total (2)	4.91	4.65	4.73	14.29
	Total (B)=(1+2)	9.55	9.65	9.73	28.93
	Total Managerial Remuneration excl. Sitting fees				27.31
	Overall Cieling as per the Act.				27.31

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

S.No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CFO	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	33.76	19.92	53.68
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.32	0.00	1.32
2	Others (Retirement Benefits)	1.95	1.96	3.91
	Total	37.03	21.88	58.91

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



ANNEXURE 'F' TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

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

Conservation of Energy

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

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. The company has started re-cycling and using its treated process water in one of its units resulting in reduction of power load for withdrawal of ground water with due conservation of water resources. In the other plant, smaller sized hydroclones have been replaced with optimum sized hydroclones thereby reducing the consumption of power considerably.

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

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

(c) The capital investment on energy conservation equipments:

During the year, the Company has made capital Investment of ₹ 48.47 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 ₹ 66.25 lacs during the year under reference (₹ 63.24 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their application.

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 730.06 lacs (₹ 741.50 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 107.62 lacs (₹ 256.66 lacs during previous year), Spare parts, components and consumables of ₹ 31.35 lacs (₹ 40.54 Lacs during previous year) on a C.I.F. basis and incurred foreign traveling exp. of ₹ 0.61 lacs (₹ Nil during previous year)



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit for the financial year 2016-17 of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sukhjit Starch & Chemicals Limited.

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462; C. P. No.: 1947
Place: Jalandhar
Dated: May 18, 2017



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

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

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

Based on our verification of The Sukhjit Starch Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 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, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made thereunder from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 and the amendments made thereunder from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- The following regulations and Guidelines of SEBI are not applicable to the company as no such event took place in the Company:
- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) Other laws applicable on the Company including
 - Food Safety and Standards Act, 2006,
 - Factories Act, 1948,



ANNEXURE 'G' TO THE DIRECTORS' REPORT

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

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and;
- (ii) The Listing Agreement for equity shares entered into by the Company with BSE Limited, Mumbai and;
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Dinesh Gupta & Co.
Company Secretaries

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

Place: Jalandhar
Dated: May 18, 2017



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, I.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, 2017.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

Sd/-

(I.K. SARDANA)
Managing Director

Place : Phagwara

Dated : 24th May, 2017

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, 2017 as stipulated in schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2017, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Stake holder's relationship / grievance committee.

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

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 24th May, 2017



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, 2017 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/-

(I.K. Sardana)

Managing Director

Sd/-

(M.G. Sharma)

Chief Financial Officer

Place : Phagwara.

Dated : 24th May, 2017



INDEPENDENT AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE STANDALONE FINANCIAL STATEMENTS :

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2017, which comprise the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

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 financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY :

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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



INDEPENDENT AUDITORS' REPORT

OPINION :

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

- (i) In case of balance sheet, of the state of the affairs of the company as at 31st March 2017.
- (ii) In case of profit and loss Accounts, of the profit of the company for the year ended on that date.
- (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor' s Report) order, 2016 (' the order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclosed in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in ' Annexure B' and
 - (g) With respect to the other matters to be included in the Auditor' s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosure in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company (refer note no. 7 to the Standalone Financial Statements).

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 24th May, 2017



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 2017, 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').
(a) Paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of rate of Interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act.
(b) Paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
(c) Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
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, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.



INDEPENDENT AUDITORS' REPORT

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

- (b) The Company has disputed liabilities of ₹ 28.62 crores (not provided in the accounts), which mainly include Central Excise liability of ₹ 25.98 crores against sale of Maize Starch since 01.04.1997. The company has explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account. Other items concern a demand of ₹ 1.31 crores raised on sale made through the consignment agents of the company which is pending before the Assistant Commissioner. The company does not foresee any liability on this score as there is no valid / legal ground for the demand. ₹ 1.25 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 and other Misc. Service tax demands due to difference in opinion.
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 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
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 him 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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 24th May, 2017



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, 2017 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



INDEPENDENT AUDITORS' REPORT

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 24th May, 2017



BALANCE SHEET AS ON 31ST MARCH, 2017

	NOTE	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	<u>22,651.58</u>	<u>21,233.49</u>
		23,389.56	21,971.47
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	6,089.99	5,584.72
(b) Deferred Tax Liability (Net)	4	<u>2,475.36</u>	<u>2,300.36</u>
		8,565.35	7,885.08
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	5	5,727.19	7,115.08
(b) Trade Payables	6	3,140.06	3,289.18
(c) Other Current Liabilities	7	744.22	710.68
(d) Short Term Provisions	8	<u>444.11</u>	-
		10,055.58	11,114.94
	TOTAL	<u>42,010.49</u>	<u>40,971.49</u>
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	9		
(i) Tangible		22,543.17	22,131.01
(ii) Intangible		6.02	9.08
(iii) Capital work in progress	10	<u>1,014.92</u>	<u>937.67</u>
		<u>23,564.11</u>	<u>23,077.76</u>
(b) Non Current Investments	11	661.63	676.19
(c) Long Term Loans & Advances	12	686.70	386.70
(d) Other Non Current Assets	13	<u>241.43</u>	<u>215.23</u>
		25,153.87	24,355.88
2. CURRENT ASSETS			
(a) Current Investments	14	2,928.08	1,828.08
(b) Inventories	15	5,425.91	5,664.71
(c) Trade Receivables	16	5,990.68	5,735.26
(d) Cash & Cash Equivalents	17	727.01	1,757.16
(e) Short Term Loans & Advances	18	1,610.16	1,376.36
(f) Other Current Assets	19	<u>174.78</u>	<u>254.04</u>
		16,856.62	16,615.61
	TOTAL	<u>42,010.49</u>	<u>40,971.49</u>

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAHI
S.C. JINDAL



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)
1. Revenue From Operations	20	65,316.50	56,587.67
2. Other Income	21	223.92	255.39
3. Total Revenue		65,540.42	56,843.06
4. Expenses :			
Cost of Materials Consumed	22	47,054.92	38,415.31
Change in Inventories of Finished Goods & Work in Progress	23	185.79	(506.91)
Employee Benefits Expense	24	3,762.06	3,375.15
Financial Costs	25	1,336.88	1,527.85
Depreciation and Amortisation Exp.	9	1,176.65	1,210.84
Other Expenses	26	9,246.92	9,252.91
Total Expenses		62,763.22	53,275.15
5. Profit Before Tax (3-4)		2,777.20	3,567.91
6. Tax Expense :			
- Current Tax	740.00		915.00
- Deferred Tax	175.00		343.00
- Taxes Relating to Previous Yrs.	-		4.84
		915.00	1,262.84
7. Profit for the year		1,862.20	2,305.07
8. Earning per equity share :			
(a) Basic		25.23	31.23
(b) Diluted		25.23	31.23
(c) Face Value Per Share (₹)		10.00	10.00

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH
S.C. JINDAL



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	For the Year Ended 31st March, 2017 (₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	2,777.19	3,567.92
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,176.65	1,210.84
Provision for Doubtful Debts	—	19.30
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(152.08)	(232.68)
Interest paid	1,290.34	1,499.55
(Profit) Loss on sale of investments/assets	(47.31)	0.12
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	5,044.79	6,065.05
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(449.25)	132.65
Inventories	238.80	2,256.99
Trade Payables	(149.11)	883.82
Other Liabilities	64.26	46.71
NET FLOWS FROM OPERATING ACTIVITIES	4,749.49	9,385.22
Net Direct Taxes Paid	(700.71)	(656.04)
NET FLOWS FROM OPERATING ACTIVITIES	4,048.78	8,729.18
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,714.17)	(2,006.83)
Sale of Fixed Assets	98.48	8.75
Other Investments	(1,411.64)	(1,318.30)
Interest received	152.08	232.68
NET FLOWS FROM INVESTING ACTIVITIES	(2,875.25)	(3,083.70)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	(1,387.89)	(1,765.58)
Term Loans raised	—	—
Repayment of Term Loan	(200.00)	(1,337.21)
Other Loans raised	705.27	(499.17)
Dividends paid	(30.71)	(850.01)
Interest paid	(1,290.34)	(1,499.55)
NET FLOWS FROM FINANCING ACTIVITIES	(2,203.67)	(5,951.52)
Net Cash Flows during the year	(1,030.15)	(306.04)
Cash & cash equivalents at the beginning of the year	1,757.16	2,063.20
Cash & cash equivalents at the end of the year	727.01	1,757.16

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH
S.C. JINDAL



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,49,450	7.45	5,34,896	7.25
Sh. Kuldeep Krishan Sardana	5,88,228	7.97	5,67,309	7.69
Sh. Dhiraj Sardana	4,18,938	5.68	4,10,693	5.57
Sh. Bhavdeep Sardana	4,16,084	5.64	4,16,084	5.64
Sh. Puneet Sardana	4,20,833	5.70	4,16,833	5.65
Sh. Pankaj Sardana	4,18,664	5.67	4,12,414	5.59

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy :	467.67	467.67
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SECURITIES PREMIUM RESERVE

87.14	87.14
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GENERAL RESERVE

As per Last Balance Sheet	19,897.19	17,897.19
Add : Transferred from Profit & Loss Account	1,000.00	2,000.00
	<u>20,897.19</u>	<u>19,897.19</u>

PROFIT & LOSS ACCOUNT

As per last Balance Sheet	781.49	920.53
Add : Profit for the year	1,862.20	2,305.07
	<u>2,643.69</u>	<u>3,225.60</u>

Less : Appropriations :

(a) Interim Dividend	-	368.99
(b) Final Dividend (Proposed)	368.99	-
(c) Corporate tax on dividend	75.12	75.12
(d) Transferred to General Reserve	<u>1,000.00</u>	<u>2,000.00</u>
Surplus Carried Forward	<u>1,199.58</u>	<u>781.49</u>

<u><u>22,651.58</u></u>	<u><u>21,233.49</u></u>
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NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED :		
Term Loan(s) from Bank(s)		
Secured against Immovable Fixed Assets of Gurplah Unit and Fixed assets located at village Mauza Jadupur, Malda and Equitable Mortgage of land measuring 7.33 acres at village Mauza Jadupur, Malda (The Term Loan is repayable in twenty equal quarterly installments. First Installment from July, 2014)	250.00	450.00
UNSECURED :		
Fixed Deposits (includes ₹ 4,45,41,000/- from Directors, previous year ₹ 5,14,03,000/-) (Maturity period ranging from 1 to 3 years)	4,449.59	4,060.06
Security Deposits	167.34	123.63
Other Long Term Liabilities	1,223.06	951.03
	<u>6,089.99</u>	<u>5,584.72</u>
4. DEFERRED TAX LIABILITY (NET)		
As per last Balance Sheet	2,300.36	1,957.36
Add : Provision for the year on account of timing difference arising on depreciation as per the Income Tax Act & the Companies Act and on account of other provisions	175.00	343.00
	<u>2,475.36</u>	<u>2,300.36</u>
5. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit limits from Bank(s)		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	4,422.67	5,110.81
(ii) Secured against Book Debts	304.52	1,004.27
UNSECURED :		
Short Term Borrowings from Bank(s)	1,000.00	1,000.00
	<u>5,727.19</u>	<u>7,115.08</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
6. TRADE PAYABLES		
Sundry creditors for goods supplied		
(i) Micro, Small & Medium Enterprises (*)	9.86	16.27
(ii) Others	1,636.60	1,858.31
Sundry Creditors for Expenses	1,034.34	894.58
Other Creditors (**)	459.26	520.02
	<u>3,140.06</u>	<u>3,289.18</u>
(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. Year NIL)		
(**) Include ₹ 218.92 lacs (Prev. Year ₹ 278.48 lacs) as advances from Sundry Customers for supply of Goods.		
7. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	200.00	200.00
Unclaimed Dividends	76.27	106.99
Taxes payable	149.25	155.27
Interest accrued but not due on Fixed Deposits	318.70	248.42
	<u>744.22</u>	<u>710.68</u>
8. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	-
Corporate Tax on Dividend	75.12	-
	<u>444.11</u>	<u>-</u>
10. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	708.07	650.16
Machinery under Errection	304.12	286.73
Furniture / Fixture under Construction	2.73	0.78
	<u>1,014.92</u>	<u>937.67</u>
11. NON CURRENT INVESTMENTS		
Membership (Investment) – The Country Club (At Cost)	0.65	0.65
UNQUOTED FULLY PAID (AT COST)		
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. 1000000 Shares (Prev. Year 1000000 shares) of face value ₹ 10/- each	100.00	100.00
(iii) Scott Industries Limited 4400000 shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	<u>560.90</u>	<u>560.90</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
INVESTMENT IN GOVT. SECURITIES - UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF SHARES UNQUOTED (AT COST)		
Hindusthan Engineering & Industries Ltd.	-	14.56
Nil Shares (Prev. Year 72610 shares) of Face value Rs. 10/- per unit		
INVESTMENT IN DEBENTURES / UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
(i) Tata Capital Ltd.	100.00	100.00
20 Non-Convertible Secured Debentures (Prev. Year 20 deb.) of Face Value of ₹ 500000/- per debenture		
	<u>661.63</u>	<u>676.19</u>
Aggregate Amount of Unquoted Investments - ₹ 561.63 lacs (P.Y. ₹ 576.19 lacs)		
Aggregate Amount of Quoted Investments - ₹ 100 lacs (P.Y. ₹ 100 lacs)		
Market Value of Quoted Investments - ₹ 103.44 lacs (P.Y. ₹ 102.7 lacs)		
12. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Advances against Purchase of Property	686.70	386.70
	<u>686.70</u>	<u>386.70</u>
13. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security/Other Deposits	241.43	215.23
	<u>241.43</u>	<u>215.23</u>
14. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS UNQUOTED (AT COST) :		
(i) HDFC Short Term Opportunity Fund	150.00	150.00
967535.944 units (Prev. Year 967535.944 units) of Face value of ₹ 10/- per unit		
(ii) Reliance Short Term Fund	400.00	400.00
1494781.57 units (Prev. Year 1494781.57 units) of Face value of ₹ 10/- per unit		



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
(iii) UTI Short Term Income Fund Nil units (Prev. Year 627273.868 units) of Face value of ₹ 10/- per unit	–	100.00
(iv) Reliance Regular Saving Fund 1071704.145 units (Prev. Year 1071704.145 units) of Face value of ₹ 10/- per unit	200.00	200.00
(v) JP Morgan India Government Securities Fund 881710.855 units (Prev. Year 881710.855 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vi) UTI Income Opportunity Fund 3521046.416 units (Prev. Year 781567.512 units) of Face value of ₹ 10/- per unit	500.00	100.00
(vii) HDFC Short Term Plan Fund 1200631.127 units (Prev. Year 544749.343 units) of Face value of ₹ 10/- per unit	350.00	150.00
(viii) ICICI Prudential Corporate Bond Fund 455176.495 units (Prev. Year 455176.495 units) of Face value of ₹ 10/- per unit	100.00	100.00
(ix) SBI Corporate Bond Fund 850414.445 units (Prev. Year 444187.803 units) of Face value of ₹ 10/- per unit	200.00	100.00
(x) UTI Floating Rate Fund 22965.628 units (Prev. Year 4632.076 units) of Face value of ₹ 10/- per unit	600.00	100.00
	2,600.00	1,500.00
INVESTMENT IN BONDS / DEBENTURES		
QUOTED (AT COST) :		
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond	24.72	24.72
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture	303.36	303.36
	328.08	328.08
	<u>2,928.08</u>	<u>1,828.08</u>

Aggregate Amount of Unquoted Investments - ₹ 2,600 lacs (P.Y. ₹ 1,500 lacs)

Aggregate Amount of Quoted Investments - ₹ 328.08 lacs (P.Y. ₹ 328.08 lacs)

Market Value of Quoted Investments - ₹ 347.45 lacs (P.Y. ₹ 342.54 lacs)



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
15. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	1,777.18	1,820.13
Stock in Process (at cost or net realisable value whichever is lower)	941.59	750.99
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	1,248.58	1,624.97
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,442.04	1,453.26
Loose Tools (at cost or net realisable value whichever is lower)	16.52	15.36
	<u>5,425.91</u>	<u>5,664.71</u>
16. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	90.74	128.30
Considered Doubtful	97.56	96.48
	<u>188.30</u>	<u>224.78</u>
Less : Provision for Doubtful debts	55.40	55.40
	<u>132.90</u>	<u>169.38</u>
Others Considered Good	5,857.78	5,565.88
	<u>5,990.68</u>	<u>5,735.26</u>
17. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	13.30	24.75
Current Accounts (*)	104.76	184.68
Fixed Deposit Accounts (**)	608.95	1,547.73
	<u>713.71</u>	<u>1,732.41</u>
	<u>727.01</u>	<u>1,757.16</u>
(*) Include Balances of ₹ 76.27 lacs (P.Y. ₹ 106.98 lacs) in the Unclaimed/ Unpaid Dividend Accounts.		
(**) (i) Include deposits of ₹ 39.95 lacs (P.Y. ₹ 43.35 lacs) held as margin money / security against LCs / Bank guarantees		
(ii) ₹ 25.54 lacs (P.Y. ₹ 17.13 lacs) with the maturity of more than one year.		
18. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	478.49	208.93
Advances against Capital Goods	58.58	104.66
Advances to Subsidiaries	316.42	283.34
Other Advances	112.46	95.56
Income Tax in advance	2,299.21	2,488.87
Less : Provision for Tax	<u>(1,655.00)</u>	<u>(1,805.00)</u>
	<u>644.21</u>	<u>683.87</u>
	<u>1,610.16</u>	<u>1,376.36</u>

(*) Include ₹ 23.36 lacs (P.Y. ₹ 16.67 lacs) as Unutilised Cenvat on Capital Goods & ₹ 358.89 lacs (P.Y. ₹ 49.75 lacs) as Advances to Sundry Suppliers for purchase of materials.



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
19. OTHER CURRENT ASSETS		
Prepaid Expenses	55.08	53.68
Interest & Other recoverables	119.70	200.36
	<u>174.78</u>	<u>254.04</u>
20. REVENUE FROM OPERATIONS		
(i) Sales :		
Starches	23,087.08	19,386.18
Dextrines & Textilose	2,739.44	2,532.41
Glucose	22,713.86	20,758.89
Sorbitol	4,430.95	3,925.56
By-products	14,982.82	12,516.73
Misc. Sales	503.02	418.08
	<u>68,457.17</u>	<u>59,537.85</u>
(ii) Less : Excise Duty	3,140.67	2,950.18
Net Sales (i-ii)	<u>65,316.50</u>	<u>56,587.67</u>
21. OTHER INCOME		
Interest Received	152.08	232.68
Other Income (*)	24.53	22.83
Profit/(Loss) on sale of Assets/Units	47.31	(0.12)
	<u>223.92</u>	<u>255.39</u>
(*) Include Rent Received of ₹ 10.83 lacs (P.Y. ₹ 9.37 lacs) & Net Agriculture Income of ₹ 8.75 lacs (P.Y. ₹ 0.18 lacs)		
22. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	1820.13	4,315.45
Purchase of Basic Raw Material	43,658.91	32,714.68
	<u>45,479.04</u>	<u>37,030.13</u>
Less : Closing Stock of Basic Raw Material	1,777.18	1,820.13
Effective Consumption of Basic Raw Material	43,701.86	35,210.00
Other Raw Materials, Consumables & Stores	3,353.06	3,205.31
	<u>47,054.92</u>	<u>38,415.31</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,624.97	1,247.86
Opening Stock of Work in Progress	750.99	621.19
	<u>2,375.96</u>	<u>1,869.05</u>
Closing Stock of Finished Goods	1,248.58	1,624.97
Closing Stock of Work in Progress	941.59	750.99
	<u>2,190.17</u>	<u>2,375.96</u>
Change in Inventories	<u>185.79</u>	<u>(506.91)</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)
24. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	3,352.14	2,987.82
Cont. to PF, ESI, Superannuation & Other Funds	248.96	241.13
Workmen & Staff Welfare	160.96	146.20
	<u>3,762.06</u>	<u>3,375.15</u>

INFORMATION UNDER AS-15 "EMPLOYEE BENEFITS":

Defined Benefit Plan

Defined benefit plans include Gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust, and charged to the Profit & Loss Account of the relevant year. The required disclosures are given hereunder :

(₹ lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2016-17	2015-16
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	693.33	633.00
(b) Current Service Cost	62.72	55.42
(c) Interest Cost	50.66	47.88
(d) Actuarial (Gain)/Loss	25.00	6.15
(e) Benefit Paid	(41.74)	(46.12)
(f) Present Value of Obligation as at the close of the year	792.97	696.33
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	670.67	591.63
(b) Expected Return on Plan Assets	50.30	47.33
(c) Actuarial (Gain)/Loss	2.70	3.49
(d) Actual Company Contribution	60.00	74.34
(e) Benefit Paid	(41.74)	(46.12)
(f) Fair Value of Plan Assets as at the close of the year	741.93	670.67
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	792.98	696.33
(b) Fair Value of Plan Assets	741.93	670.67
(c) Amount recognized in the Balance Sheet	51.05	25.66
D Expenses recognized during the year		
(a) Current Service Cost	62.72	55.02
(b) Interest Cost	50.66	47.88
(c) Expected Return on Plan Assets	(55.64)	(47.33)
(d) Actuarial (Gain)/Loss	25.00	3.04
(e) Net Cost	82.74	58.61
E Actuarial Assumptions		
(a) Discount Rate (per annum)	7.50%	7.85%
(b) Expected Rate of Return on Assets (per annum)	7.50%	8.50%
(c) Salary Escalation Rate	8.00%	8.00%



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		FOR THE YEAR ENDED 31.3.2017 (₹ LACS)	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)
25. FINANCE COSTS			
Interest Expense		1,290.34	1,499.55
Other Borrowings Costs/Bank Charges		46.54	28.30
		<u>1,336.88</u>	<u>1,527.85</u>
26. OTHER EXPENSES			
MANUFACTURING EXPENSES :			
Power and Fuel	6,959.18		6,965.34
Machinery Repair	324.53		520.55
Building Repair	106.67		104.29
		<u>7,390.38</u>	<u>7,590.18</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :			
Printing & Stationery	15.54		14.79
Professional/Legal Expenses	46.66		30.66
Directors' Fee	1.62		2.34
Travelling Expenses	133.77		156.13
Auditors' Remuneration	6.46		6.39
Rent Paid	40.08		18.10
Electricity & Water Charges	31.34		37.42
Entertainment	4.90		5.21
Postage, Telegram & Telephones	29.48		27.63
Advertisement	15.02		15.01
Subscription	20.36		24.06
General Charges	8.40		10.11
Insurance Expenses	52.15		52.84
Other Repairs & Maintenance	53.87		58.35
Commission & Brokerage	506.45		458.21
Provision for Doubtful debts	–		19.30
Other Govt. Taxes, Levies & Fees	34.53		36.93
Rebate & Discount	147.70		132.72
Directors' Commission	54.63		71.41
Charity & Donation	71.16		65.78
Carriage & Forwarding Charges	582.42		419.34
		<u>1,856.54</u>	<u>1,662.73</u>
		<u>9,246.92</u>	<u>9,252.91</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

FIXED ASSETS AS ON 31ST MARCH, 2017											Amount (₹ Lacs)
NOTE : 9	TANGIBLE ASSETS					INTANGIBLE ASSETS					PREVIOUS YEAR
	ASSETS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE	TOTAL		
COST											
	Cost as on 1.4.2016	2,697.38	6,552.19	249.95	21,127.25	925.98	388.43	33.50	31,974.68	30,396.54	
	Additions	161.71	473.73	20.01	923.32	49.69	7.39	1.06	1,636.91	1,593.23	
	Sale/Adjustments	--	--	--	51.43	1.35	--	--	52.78	15.08	
	Total as on 31.3.2017	2,859.09	7,025.92	269.96	21,999.14	974.32	395.82	34.56	33,558.81	31,974.69	
DEPRECIATION											
	Upto 31.3.2016	--	2,455.75	192.27	6,213.01	660.36	288.77	24.42	9,834.58	8,629.97	
	For the Year	--	340.75	18.54	707.26	66.94	39.04	4.12	1,176.65	1,210.84	
	On Sale/Adjustments	--	--	--	0.33	1.27	--	--	1.60	6.21	
	Upto 31.3.2017	--	2,796.50	210.81	6,919.94	726.03	327.81	28.54	11,009.63	9,834.60	
NET VALUE											
	As at 31.3.2017	2,859.09	4,229.42	59.15	15,079.20	248.29	68.01	6.02	22,549.19	22,140.09	
	As at 31.3.2016	2,697.38	4,096.44	57.68	14,914.24	265.62	99.66	9.08	22,140.12		



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
 - (i) **LCs / Bank Guarantees** issued for ₹ 331.38 lacs (Previous Year ₹ 350.33 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc.
 - (ii) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 28.62 Crores. The amount mainly includes ₹25.98 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of ₹ 1.31 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner, ₹ 1.25 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 and balance on account of other Misc. service tax demands due to difference of opinion.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 2.75 Crores (Previous year ₹ 3.00 Crores)
 - (iv) Export obligation pending to be fulfilled is US\$ 11.32 lacs (Previous year US\$ 8.61 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 10.94 lacs during the year under reference (Previous year US\$ 13.00 lacs).
3. National saving certificates of Rs. 0.08 lacs (Previous year Rs. 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include Rs. 316.42 lacs (Previous year Rs. 283.34 lacs) due from the subsidiary companies.
5. **Earnings per share :**

	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	1862.20	2,305.07
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	25.23	31.23
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	25.23	31.23
6. **Related Party Disclosures :**
 - (a) List of related parties / Relationships :
 - SUBSIDIARY COMPANIES
 - (i) The Vijoy Steel & General Mills Co. Ltd. : Subsidiary
 - (ii) Scott Industries Ltd. : Subsidiary
 - (iii) Sukhjit Mega Food Park & Infra Ltd. : Subsidiary
 - KEY MANAGEMENT PERSONNEL
 - (i) Mr. I.K. Sardana
 - (ii) Mr. K.K. Sardana
 - (iii) Mr. M.G. Sharma
 - (iv) Mr. Aman Setia



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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

(Amount ₹ in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			20.50 (4.30)	20.50 (4.30)
Remuneration		282.37 (252.97)	182.87 (152.80)	465.24 (405.77)
On account of sales	(Nil) 6.80			Nil (6.80)
On account of Purchases	61.81 (55.83)			61.81 (55.83)
Rent received	0.66 (0.16)			0.66 (0.16)

7. Disclosure on Specified Bank Notes :

(Amount ₹ in Lacs)

Particulars	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	40.88	9.77	50.65
Add : Permitted Receipts	–	157.13	157.13
Less : Permitted Payments	11.25	153.99	165.24
Less : Amount Deposited in Banks	29.63	–	29.63
Closing Cash in hand as on 30.12.2016	–	12.91	12.91

	<u>2016-17</u> (₹ Lacs)	<u>2015-16</u> (₹ Lacs)
8. (a) Managerial Remuneration paid/payable to the Executive Directors :		
(i) Salaries	184.68	136.92
(ii) Commission	27.32	35.70
(iii) Contribution to retirement benefit funds	14.15	11.05
(iv) Perquisites	34.34	27.95

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

	<u>2016-17</u> (₹ Lacs)	<u>2015-16</u> (₹ Lacs)
Net Profit as per Profit & Loss Account	2,777.20	3,567.91
Add : Commission to Directors	54.63	71.40
Directors Sitting Fee	1.62	2.37
	<u>2,833.45</u>	<u>3,641.68</u>
Less : Profit on sale of Assets/Shares	<u>(47.31)</u>	<u>0.12</u>



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2016-17 (₹ Lacs)	2015-16 (₹ Lacs)
Balance :	2786.14	3,641.80
Commission @ 1% on Net Profits to Directors	27.31	35.70
Commission @ 1% on Net Profits to Mg. Director and Jt. Mg. Director (PY @1.5% on Net Profits to Mg. Director & Jt. Mg. Director)	27.32	35.70
Net Profit (as per Section 198)	<u>2731.51</u>	<u>3,570.40</u>
9. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee	5.80	5.80
Tax Audit Fee	0.42	0.42
For Other Matters	-	-
Reimbursement of out of pocket expenses (*) Including service tax	0.23 *	0.17 *
10. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on a F.O.B. basis	730.66	741.50
11. VALUE OF IMPORTS ON C.I.F. BASIS (excluding canalised items)		
(i) Components/Spare Parts/Consumables	31.35	40.54
(ii) Capital Goods	107.62	256.66
12. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency on Foreign Travelling	0.61	-
13. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION		
(i) Raw Materials :		
(a) Imported	-	-
(excluding canalised items)	-	-
(b) Indigenous	46,742.19 (100%)	38,035.94 (100%)
(ii) Spare & Components :		
(a) Impoted	23.85 (7.63%)	58.93 (15.53%)
(b) Indigenous	288.88 (92.37%)	320.44 (84.47%)

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH
S.C. JINDAL



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

The company maintains its financial statements on accrual basis and in accordance with the historical cost convention, generally accepted accounting principles and applicable Accounting Standards as well as the relevant provisions of The Companies Act, 2013. However, certain escalations/claims which are not ascertainable or unacknowledged are accounted for on their being acknowledged/ materialized.

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets.

3. LEASES

The operating lease where the company is a lessee and substantially all the risks and rewards of ownership are retained by the lessor, rentals are charged to the Profit & loss on a accrual basis.

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

Investments are valued at cost. Profit and loss are recognized as income or expenditure on their transfer. Long Term Investments are stated at cost less other than temporary diminution, if any, in value.

7. 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 realizable value. Bye 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.

8. 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 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.



9. REVENUE RECOGNITION

- (i) The revenue is recognized when it can be reliably measured and reasonably expected to realize. Sales are inclusive of Excise duty wherever applicable.
- (ii) Dividend income is accounted for when the right to receive the payment is established.
- (iii) Interest income is recognized on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

10. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or at 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 the acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the asset.

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

- (i) Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of Income Tax Act, 1961.
- (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

13. GOVERNMENT GRANTS/SUBSIDIES

Grants in the nature of contribution towards capital cost of setting up projects are deducted from actual cost of the assets. However, grants or subsidies relating to an expense item is recognized as income over the periods necessary to match them to the costs, which it is intended to compensate.

14. BORROWING COSTS

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalized as a part of the cost of assets till the date of commencement of commercial use of the asset. All other borrowing costs are charged to the Profit & Loss Account of the period in which they are incurred.

15. PROVISIONS/CONTINGENCIES

Provision is recognized when there is a present obligation as a result of a past event and it is probable that the outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are not recognized and are disclosed by way of Notes on financial statements.



INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached Consolidated financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2017, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the



INDEPENDENT AUDITORS' REPORT

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

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

OPINION

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

- (i) In case of consolidated balance sheet, of the state of the affairs of the company as at 31st March 2017.
- (ii) In case of consolidated profit and loss Accounts, of the profit of the company for the year ended on the date.
- (iii) In the case of consolidated cash flow statement, of the cash flow for the year ended on that date.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets and Revenue from operations as follows as on 31st March, 2017.

Subsidiary Company	Total Assets (in Lacs)	Revenue from Operations (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	82.08	68.87
Scott Industries Ltd.	179.06	–
Sukhjit Mega Food Park & Infra Ltd.	106.73	–

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21-Consolidated Financial Statements issued by the ICAI and on the basis of the separate audited financial statements of the Sukhjit Starch & Chemicals Limited and its subsidiaries included in the Consolidated Financial Statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.



INDEPENDENT AUDITORS' REPORT

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in 'Annexure A' and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements as referred to in note to the consolidated financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided requisite disclosure in its Standalone Financial Statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company (refer note no. 5 to the Consolidated Financial Statements).

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 24th May, 2017

ANNEXURE A TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.



INDEPENDENT AUDITORS' REPORT

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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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



INDEPENDENT AUDITORS' REPORT

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 Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 24th May, 2017



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2017

	NOTE	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	22,121.86	20,766.42
(c) Minority Interest		0.72	1.09
		22,860.56	21,505.49
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	6,089.98	5,584.72
(b) Deferred Tax Liability (Net)	4	2,458.51	2,288.73
(c) Long Term Provisions	5	5.56	6.39
		8,554.05	7,879.84
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	6	5,727.19	7,115.09
(b) Trade Payables	7	3,147.84	3,297.90
(c) Other Current Liabilities	8	744.22	710.28
(d) Short Term Provisions	9	444.11	-
		10,063.36	11,123.27
TOTAL		41,477.97	40,508.60
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	10		
(i) Tangible		22,609.06	22,206.80
(ii) Intangible		6.15	9.21
		22,615.21	22,216.01
(iii) Capital work in progress	11	1,033.55	948.50
		23,648.76	23,164.51
(b) Non Current Investments	12	100.73	115.29
(c) Long Term Loans & Advances	13	686.70	386.70
(d) Other Non Current Assets	14	245.05	218.85
		24,681.24	23,885.35
2. CURRENT ASSETS			
(a) Current Investments	15	2,928.08	1,828.08
(b) Inventories	16	5,468.27	5,730.27
(c) Trade Receivables	17	6,114.66	5,879.67
(d) Cash & Cash Equivalents	18	731.30	1,764.20
(e) Short Term Loans & Advances	19	1,379.64	1,166.98
(f) Other Current Assets	20	174.78	254.05
		16,796.73	16,623.25
TOTAL		41,477.97	40,508.60

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH
S.C. JINDAL



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)
1. Revenue From Operations	21	65,359.96	56,639.98
2. Other Income	22	223.27	255.23
3. Total Revenue		65,583.23	56,895.21
4. Expenses :			
Cost of Materials Consumed	23	47,055.97	38,453.64
Change in Inventories of Finished Goods & Work in Progress	24	197.99	(516.84)
Employee Benefits Expense	25	3,795.51	3,408.58
Financial Costs	26	1,336.90	1,524.73
Depreciation and Amortisation Exp.	10	1,187.94	1,222.73
Other Expenses	27	9,299.97	9,302.36
Total Expenses		62,874.28	53,395.20
9. Profit Before Tax (7-8)		2,708.95	3,500.01
10. Provision for Taxation :			
- Current Tax	740.00		915.00
- Deferred Tax	169.78		333.72
- Taxes Relating to Previous Yrs.	-		4.84
		909.78	1,253.56
11. Profit after Tax		1,799.17	2,246.45
12. Add/(Less) Minority Interest		0.37	0.31
13. Profit for the year		1,799.54	2,246.76
14. Earning per equity share :			
(a) Basic		24.38	30.44
(b) Diluted		24.38	30.44
(c) Face Value Per Share (₹)		10.00	10.00

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH
S.C. JINDAL



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

	For the Year Ended 31st March, 2017 (₹ Lacs)	For the Year Ended 31st March, 2016 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	2,708.97	3,500.03
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,187.94	1,222.73
Provision for Doubtful / sub standard debts	20.63	39.93
Adj. of Subsidiary's Reserve on Consolidation	—	—
Provision for gratuity	(0.83)	(1.10)
Adjustments for non-operating activities		
Interest & Dividends received	(175.96)	(255.34)
Interest paid	1,290.34	1,496.41
Loss/(Profit) on sale of assets	(47.31)	0.12
Flows from operations before working capital changes	4,983.79	6,002.78
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(427.94)	55.74
Inventories	261.99	2,281.35
Trade Payables	(150.08)	884.52
Other Liabilities	64.66	46.31
FLOWS FROM OPERATING ACTIVITIES	4,732.42	9,270.70
Direct Taxes Paid		
Income Tax	(700.71)	(656.04)
NET FLOWS FROM OPERATING ACTIVITIES	4,031.71	8614.66
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,723.37)	(2,017.66)
Sale / Adj. of Fixed Assets	98.48	9.00
Investments made	(1,411.64)	(1,218.30)
Acquisition of Minority Interest	(0.36)	0.04
Interest & Dividend received	175.96	255.34
NET FLOWS FROM INVESTING ACTIVITIES	(2,860.93)	(2971.58)
FLOWS FROM FINANCING ACTIVITIES		
Borrowings for (Repayments of) working capital Loans	(1,387.89)	(1,765.58)
Term Loans raised	—	—
Repayment of Term Loan	(200.00)	(1,337.21)
Other Loans raised	705.27	(499.17)
Dividends paid	(30.71)	(850.01)
Interest paid	(1,290.34)	(1,496.41)
NET FLOWS FROM FINANCING ACTIVITIES	(2,203.67)	(5,948.38)
Net Cash Flows during the year	(1,032.90)	(305.30)
Cash & cash equivalents at beginning of the year	1,764.20	2,069.50
Cash & cash equivalents at the end of the year	731.30	1,764.20

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 24th May, 2017

DIRECTORS

K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAHI
S.C. JINDAL



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
SHARE HOLDERS' FUND		
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,49,450	7.45	5,34,896	7.25
Sh. Kuldeep Krishan Sardana	5,88,228	7.97	5,67,309	7.69
Sh. Dhiraj Sardana	4,18,938	5.68	4,10,693	5.57
Sh. Bhavdeep Sardana	4,16,084	5.64	4,16,084	5.64
Sh. Puneet Sardana	4,20,833	5.70	4,16,833	5.65
Sh. Pankaj Sardana	4,18,664	5.67	4,12,414	5.59

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy	468.95	468.95
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OTHER RESERVE/FUND

Share Premium	87.14	87.14
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GENERAL RESERVE

As per Last Balance Sheet	19,897.19	17,897.19
Add : Transferred from Profit & Loss Account	<u>1,000.00</u>	<u>2,000.00</u>
	20,897.19	19,897.19

PROFIT & LOSS ACCOUNT

As per last Balance Sheet (*)	313.15	510.47
Add : Profit for the year	<u>1,799.54</u>	<u>2,246.78</u>
	<u>2,112.69</u>	<u>2,757.25</u>

Less : Appropriations :

(a) Interim Dividend	-	368.99
(b) Final Dividend (Proposed)	3,68.99	-
(c) Corporate tax on dividend	75.12	75.12
(d) Transferred to General Reserve	<u>1,000.00</u>	<u>2,000.00</u>
Surplus Carried Forward	<u>668.58</u>	<u>313.14</u>
	<u><u>22,121.86</u></u>	<u><u>20,766.42</u></u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED TERM LOANS FROM BANK(s)		
Secured against Immovable Fixed Assets of Gurplah Unit and Fixed assets located at village Mauza Jadupur, Malda and Equitable Mortgage of land measuring 7.33 acres at village Mauza Jadupur, Malda (The Term Loan is repayable in twenty equal quarterly installments. First Installment from July, 2014)	250.00	450.00
UNSECURED :		
Fixed Deposits (includes ₹ 4,45,41,000/- from Directors, previous year ₹ 5,14,03,000/-) (Maturity period ranging from 1 to 3 years)	4,449.59	4,060.06
Security Deposits	167.34	123.63
Other Long Term Liabilities	1,223.05	951.03
	<u>6,089.98</u>	<u>5,584.72</u>
4. DEFERRED TAX LIABILITY (NET)		
As per Last Balance Sheet	2,288.73	1,955.02
Less : Transfer from Fixed Assets	-	-
Add : Provision for the year due to timing difference arising on :		
(a) Depreciation as per Income Tax Act & Companies Act	174.93	342.82
(b) Brought forward losses	(5.41)	(9.45)
(c) Gratuity & other provisions	0.26	0.34
	<u>169.78</u>	<u>333.71</u>
	<u>2,458.51</u>	<u>2,288.73</u>
5. LONG TERM PROVISIONS		
Provision for Gratuity	5.56	6.39
	<u>5.56</u>	<u>6.39</u>
6. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit from Bank(s)		
(a) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	4,422.67	5,110.82
(b) Secured against Book Debts	304.52	1,004.27
UNSECURED :		
Short Term Borrowings from Bank(s)	1,000.00	1,000.00
	<u>5,727.19</u>	<u>7,115.09</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
7. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(a) Micro, Small & Medium Enterprises (*)	9.86	16.27
(b) Others	1,639.43	1,861.58
Sundry Creditors for Expenses	1,039.28	900.05
Other Creditors (**)	459.27	520.00
	<u>3,147.84</u>	<u>3,297.90</u>
(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. Year NIL)		
(**) Include ₹ 218.92 lacs (P.Y. ₹ 278.48 lacs) as advances from Sundry Customers for supply of Goods.		
8. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	200.00	200.00
Unclaimed Dividends	76.27	106.99
Taxes payable	149.25	154.87
Interest accrued but not due on Fixed Deposits	318.70	248.42
	<u>744.22</u>	<u>710.28</u>
9. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	-
Corporate Tax on Dividend	75.12	-
	<u>444.11</u>	<u>-</u>
11. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	726.71	660.99
Machinery under Errection	304.11	286.73
Furniture / Fixture under Construction	2.73	0.78
	<u>1,033.55</u>	<u>948.50</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
12. NON CURRENT INVESTMENTS		
Membership (Investment) - The Country Club (AT COST)	0.65	0.65
INVESTMENT IN GOVT. SECURITIES UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF SHARES - UNQUOTED (AT COST)		
Hindustan Engineering & Industries Ltd.	-	14.56
Nil shares (Prev. Year 72610 shares) of Face value ₹ 10/- per unit		
INVESTMENT IN DEBENTURES/UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
Tata Capital Ltd.	100.00	100.00
20 Non-Convertible Secured Debentures (Pre. Year 20 deb.) of Face Value of ₹ 500000/- per debenture		
	<u>100.73</u>	<u>115.29</u>
Aggregate Amount of Unquoted Investments - ₹ 0.73 lacs (P.Y. ₹ 15.29 lacs)		
Aggregate Amount of Quoted Investments - ₹ 100 lacs (P.Y. ₹ 100 lacs)		
Market Value of Quoted Investments - ₹ 103.44 lacs (P.Y. ₹ 102.70 lacs)		
13. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Advances against Purchase of Property	686.70	386.70
	<u>686.70</u>	<u>386.70</u>
14. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security/Other Deposits	245.05	218.85
	<u>245.05</u>	<u>218.85</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
15. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED (AT COST) :		
(i) HDFC Short Term Opportunity Fund 967535.944 units (Prev. Year 967535.944 units) of Face value of ₹ 10/- per unit	150.00	150.00
(ii) Reliance Short Term Fund 1494781.57 units (Prev. Year 1494781.57 units) of Face value of ₹ 10/- per unit	400.00	100.00
(iii) UTI Short Term Income Fund Nil units (Prev. Year 627273.868 units) of Face value of ₹ 10/- per unit	–	100.00
(iv) Reliance Regular Saving Fund 1071704.145 units (Prev. Year 1071704.145 units) of Face value of ₹ 10/- per unit	200.00	200.00
(v) JP Morgan India Government Securities Fund 881710.855 units (Prev. Year 881710.855 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vi) UTI Income Opportunity Fund 3521046.416 units (Prev. Year 781567.512 units) of Face value of ₹ 10/- per unit	500.00	100.00
(vii) HDFC Short Term Plan Fund 1200631.127 units (Prev. Year 544749.343 units) of Face value of ₹ 10/- per unit	350.00	150.00
(viii) ICICI Prudential Corporate Bond Fund 455176.495 units (Prev. Year 455176.495 units) of Face value of ₹ 10/- per unit	100.00	100.00
(ix) SBI Corporate Bond Fund 850414.445 units (Prev. Year 444187.803 units) of Face value of ₹ 10/- per unit	200.00	100.00
(x) UTI Floating Rate Fund 22965.628 units (Prev. Year 4632.076 units) of Face value of ₹ 10/- per unit	<u>600.00</u>	<u>100.00</u>
	2,600.00	1,500.00
INVESTMENT IN BONDS / DEBENTURES		
QUOTED (AT COST) :		
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond	24.72	24.72
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture	<u>303.36</u>	<u>303.36</u>
	328.08	328.08
	<u>2,928.05</u>	<u>1,828.08</u>

Aggregate Amount of Unquoted Investments - ₹ 2,600 lacs (P.Y. ₹ 1,500 lacs)

Aggregate Amount of Quoted Investments - ₹ 328.08 lacs (P.Y. ₹ 328.08 lacs)

Market Value of Quoted Investments - ₹ 347.45 lacs (P.Y. ₹ 342.54 lacs)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
16. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	1,793.04	1,848.22
Stock in Process (at cost or net realisable value whichever is lower)	941.59	750.99
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	1,281.30	1,666.49
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,435.82	1,449.21
Loose Tools (at cost or net realisable value whichever is lower)	16.52	15.36
	<u>5,468.27</u>	<u>5,730.27</u>
17. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	90.74	128.30
Considered Doubtful	303.88	302.80
	<u>394.62</u>	<u>431.10</u>
Less : Provision for Doubtful Debts	<u>137.93</u>	<u>117.30</u>
	256.69	313.80
Other Considered Goods	5,857.97	5,565.88
	<u>6,114.66</u>	<u>5,879.68</u>
18. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	13.56	25.75
Current Accounts (*)	108.79	190.72
Fixed Deposit Accounts (**)	<u>608.95</u>	<u>1,547.73</u>
	<u>717.74</u>	<u>1,738.45</u>
	<u>731.30</u>	<u>1,764.20</u>
(*) Include Balances of ₹ 76.27 lacs (P.Y. ₹ 106.98 lacs) in the Unclaimed / Unpaid Dividend Accounts.		
(**) (i) Include deposits of ₹ 39.95 lacs (P.Y. ₹ 43.35 lacs) held as margin money / security against LCs / Bank guarantees		
(ii) ₹ 25.54 lacs (P.Y. ₹ 17.13 lacs) with the maturity of more than one year.		
19. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	485.67	216.31
Advance against Capital Goods	58.58	104.66
Preoperative Expenses	78.18	66.33
Other Advances	113.00	95.81
Income Tax in advance (**)	2,299.21	2,488.87
Less : Provision for Tax	<u>(1,655.00)</u>	<u>(1,805.00)</u>
	<u>644.21</u>	<u>683.87</u>
	<u>1,379.64</u>	<u>1,166.98</u>

(*) Include ₹ 23.36 lacs (P.Y. ₹ 16.67 lacs) as Unutilized Cenvat on Capital Goods & ₹ 358.89 lacs (P.Y. ₹ 49.75 lacs) as advance to sundry suppliers for purchase of materials.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
20. OTHER CURRENT ASSETS		
Prepaid Expenses	55.08	53.69
Interest & Other recoverables	119.70	200.36
	<u>174.78</u>	<u>254.05</u>
21. REVENUE FROM OPERATIONS		
(i) Sales	68,500.63	59,590.16
(ii) Less : Excise Duty	3140.67	2,950.18
Net Sales (i - ii)	<u>65,359.96</u>	<u>56,639.98</u>
22. OTHER INCOME		
Interest Received	152.09	232.68
Other Non-operative Income (*)	23.87	22.67
Profit/(Loss) on sale of Assets/Units	47.31	(0.12)
	<u>223.27</u>	<u>255.23</u>
(*) Include Rent Received of ₹ 10.83 lacs (P.Y. ₹ 9.37 lacs) & Net Agriculture Income of ₹ 8.75 lacs (P.Y. ₹ 0.18 lacs)		
23. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	1,848.22	4,370.38
Purchase of Basic Raw Material	43,669.72	32,729.05
	<u>45,517.94</u>	<u>37,099.43</u>
Less : Closing Stock of Basic Raw Material	1,793.04	1,848.22
Effective Consumption of Basic Raw Material	<u>43,724.90</u>	<u>35,251.21</u>
Other Raw Materials, Consumables & Stores	3,331.07	3,202.43
	<u>47,055.97</u>	<u>38,453.64</u>
24. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,669.89	1,282.85
Opening Stock of Work in Progress	750.99	621.19
	<u>2,420.88</u>	<u>1,904.04</u>
Closing Stock of Finished Goods	1,281.30	1,669.89
Closing Stock of Work in Progress	941.59	750.99
	<u>2,222.89</u>	<u>2,420.88</u>
Change in Inventories	<u>197.99</u>	<u>(516.84)</u>
25. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	3,379.61	3,012.98
Cont. to PF, ESI, Superannuation & Other Funds	251.62	244.17
Workmen & Staff Welfare	164.28	151.43
	<u>3,795.51</u>	<u>3,408.58</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

		FOR THE YEAR ENDED 31.3.2017 (₹ LACS)	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)
26. FINANCE COSTS			
Interest Expense			
Interest		1,290.34	1,496.41
Other Borrowings Costs/Bank Charges		46.56	28.32
		<u>1,336.90</u>	<u>1,524.73</u>
27. OTHER EXPENSES			
MANUFACTURING EXPENSES :			
Power and Fuel	6,963.18		6,969.36
Machinery Repair	319.85		512.54
Building Repair	106.67		104.29
Other Charges	6.60		5.24
		<u>7,396.30</u>	<u>7,591.43</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :			
Printing & Stationery	15.58		14.86
Professional/Legal Expenses	46.93		31.40
Directors' Fee	1.62		2.37
Travelling Expenses	138.63		161.84
Auditors' Remuneration	6.86		7.74
Rent Paid	58.53		34.87
Electricity & Water Charges	31.34		37.42
Entertainment	5.28		5.27
Postage, Telegram & Telephones	29.61		27.78
Advertisement	15.23		15.79
Subscription	20.36		24.06
General Charges	9.07		10.97
Insurance Expenses	52.15		52.84
Other Repairs & Maintenance	54.15		58.48
Commission & Brokerage	506.45		458.21
Provision for Bad debts	20.63		39.93
Other Govt. Taxes, Levies & Fees	35.34		37.47
Rebate & Discount	147.70		132.72
Directors' Commission	54.63		71.41
Charity & Donation	71.16		66.16
Carriage & Forwarding Charges	582.42		419.34
		<u>1,903.67</u>	<u>1,710.93</u>
		<u>9,299.97</u>	<u>9,302.36</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

NOTE : 10 **FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2017** **Amount (₹ Lacs)**

ARTICULARS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE	TOTAL	PREVIOUS YEAR
OWNED ASSETS									
COST									
Cost as on 1.4.2016	2,747.10	6,561.30	250.68	21,176.08	967.08	388.43	33.68	32,124.35	30,546.19
Additions	161.71	473.73	20.01	924.71	49.69	7.39	1.06	1,638.30	1,593.23
Sale/Adjustments	--	--	--	51.43	1.35	--	--	52.78	15.08
Total as on 31.3.2017	2,908.81	7,035.03	270.69	22,049.35	1,015.42	395.82	34.74	33,709.87	32,124.34
DEPRECIATION									
Upto 31.3.2016	--	2,461.22	192.94	6,248.54	692.39	288.77	24.47	9,908.33	8,691.80
For the Year	--	340.93	18.56	709.29	76.00	39.04	4.12	1,187.94	1,222.73
On Sale/Adjustments	--	--	--	0.33	1.27	--	--	1.60	6.21
Upto 31.3.2017	--	2,802.15	211.50	6,957.50	767.12	327.81	28.59	11,094.66	9,908.32
NET VALUE									
As on 31.3.2017	2,908.81	4,232.88	59.19	15,091.85	248.30	68.01	6.15	22,615.21	22,216.02



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

1. Figures for the previous year have been recast / regrouped wherever necessary.
2. Contingent Liabilities not provided for include :
 - (a) **LCs / Bank Guarantees** issued for ₹ 331.38 lacs (Previous Year ₹ 350.33 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc
 - (b) **Central Excise Duty** Disputed Liabilities, not provided as expense in the accounts, comprise of Rs. 28.62 Crores. The amount mainly includes ₹ 25.98 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of ₹ 1.31 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner, ₹ 1.25 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 and balance on account of other Misc. service tax demands due to difference of opinion.
 - (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 2.75 Crores (Previous year ₹ 6.70 Crores)
 - (d) Export obligation pending to be fulfilled is US\$ 11.32 lacs (Previous year US\$ 8.81 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 10.94 lacs during the year under reference (Previous year US\$ 13.00 lacs).

3. Earnings per share :	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (₹ in Lacs)	1,799.54	2,246.76
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	24.38	30.44
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	24.38	30.44

4. Related Party Disclosures :

- (a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

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

KEY MANAGEMENT PERSONNEL

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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

(Amount ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			20.50 (4.30)	20.50 (4.30)
Remuneration		282.37 (252.97)	182.87 (152.80)	465.24 (405.77)
On account of sales	(Nil) 6.80			Nil (6.80)
On account of Purchases	61.81 (55.83)			61.81 (55.83)
Rent received	0.66 (0.16)			0.66 (0.16)

	2016-17 (₹ Lacs)	2015-16 (₹ Lacs)
(c) Managerial Remuneration paid/payable to the Executive Directors		
Executive Directors :		
(i) Salaries	184.68	136.92
(ii) Commission	27.32	35.70
(iii) Contribution to retirement benefit funds	14.15	11.05
(iv) Perquisites	34.34	27.95

5. Disclosure on Specified Bank Notes :

(Amount ₹ in Lacs)

Particulars	SBN	Other denomination Notes	Total
Closing Cash in hand as on 08.11.2016	41.41	11.84	53.25
Add : Permitted Receipts	–	159.63	159.63
Less : Permitted Payments	11.25	158.18	169.43
Less : Amount Deposited in Banks	30.16	–	30.16
Closing Cash in hand as on 30.12.2016	–	13.29	13.29



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

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 porfit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	102.31	23,389.56	103.48	1,862.20
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.04)	(9.23)	(0.36)	(6.59)
– Scott Industries Ltd.	(2.07)	(474.22)	(1.65)	(29.74)
– Sukhjit Mega Food Park & Infra Ltd.	(0.18)	(41.90)	(1.52)	(27.44)
Minority Interest in all subsidiaries/ Associates	0.00	(0.72)	(0.02)	(0.37)

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	(Amt. in ₹ LACS)		
	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	100.35	440.14	23.06
Reserves & Surplus / (Accummulated Losses)	(41.90)	(474.22)	(9.23)
Total Assets	106.73	179.06	82.08
Total Liabilities	106.73	179.06	82.08
Investments	–	–	–
Revenue from Operations	–	–	68.87
Profit / (Loss) before taxation	(30.36)	(29.74)	(8.89)
Provision for taxation - Deffered tax	2.92	–	2.30
Profit / (Loss) after taxation	(27.44)	(29.74)	(6.59)
Proposed Dividend (if any)	Nil	Nil	Nil

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.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

PRIMARY SEGMENT INFORMATION For the year ended March 31, 2017 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Mega Food Park		Heavy Machinery		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment Revenue												
– External Sales	65,539.76	56,839.51	--	--	--	--	43.46	55.69	--	--	65,583.23	56,598.21
– Internal Sales	0.66	3.55	--	--	--	--	25.41	14.98	(26.07)	(21.26)	--	--
Total Revenue	65,540.42	56,843.06	--	--	--	--	68.87	70.67	(26.07)	(21.26)	65,583.23	56,598.21
2. Segment Result												
– Profit before Taxation	2,777.20	3,567.91	(29.74)	(30.54)	(30.36)	(20.92)	(8.89)	(9.36)	0.74	(7.07)	2,708.95	3,500.02
– Provision for Taxation	(915)	(1,262.84)	--	--	2.92	6.46	2.30	2.82	--	--	(909.78)	(1,253.56)
– Profit after Taxation	1,862.20	2,305.07	(29.74)	(30.54)	(27.44)	(14.46)	(6.59)	(6.54)	0.74	(7.07)	1,799.17	2,246.46
3. Segment Assets												
– Segment assets	42,010.49	40,971.49	179.06	208.66	106.73	85.97	82.08	106.13	(900.39)	(863.65)	41,477.97	40,508.60
– Segment Liabilities	16,145.57	16,699.66	213.22	212.99	48.28	0.08	68.25	85.71	(316.42)	(284.07)	16,158.90	16,714.37
– Capital Expenditure	1,714.16	2,006.83	--	--	--	--	1.39	3.65	--	--	1,715.55	2,010.48



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

The company maintains its financial statements on accrual basis and in accordance with the historical cost convention, generally accepted accounting principles and applicable Accounting Standards as well as the relevant provisions of The Companies Act, 2013. However, certain escalations/claims which are not ascertainable or unacknowledged are accounted for on their being acknowledged/ materialized.

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets.

3. LEASES

The operating lease where the company is a lessee and substantially all the risks and rewards of ownership are retained by the lessor, rentals are charged to the Profit & loss on a accrual basis.

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

Investments are valued at cost. Profit and loss are recognized as income or expenditure on their transfer. Long Term Investments are stated at cost less other than temporary diminution, if any, in value.

7. 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 realizable value. Bye 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.

8. 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 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.



9. REVENUE RECOGNITION

- (i) The revenue is recognized when it can be reliably measured and reasonably expected to realize. Sales are inclusive of Excise duty wherever applicable.
- (ii) Dividend income is accounted for when the right to receive the payment is established.
- (iii) Interest income is recognized on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

10. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remaining unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or at 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 the acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the asset.

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

- (i) Provision for current tax is made in the accounts on the basis of estimated tax liability as per the applicable provisions of Income Tax Act, 1961.
- (ii) Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets are recognized to the extent there is reasonable certainty that these assets can be realized in future.

13. GOVERNMENT GRANTS/SUBSIDIES

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve. However, grants or subsidies relating to an expense item is recognized as income over the periods necessary to match them to the costs, which it is intended to compensate.

14. BORROWING COSTS

Borrowing costs directly attributable to the acquisition of qualifying assets are capitalized as a part of the cost of assets till the date of commencement of commercial use of the asset. All other borrowing costs are charged to the Profit & Loss Account of the period in which they are incurred.

15. PROVISIONS/CONTINGENCIES

Provision is recognized when there is a present obligation as a result of a past event and it is probable that the outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Contingent liabilities are not recognized and are disclosed by way of Notes on financial statements.

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 - JULY 27, 2017 AT 10.00 A.M.

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

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

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Thursday the 27th day of July, 2017 at its Regd. office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

Member's/Proxy's Signature

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

FORM NO. MGT-11

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, July 27, 2017 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.
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Signed this..... day of 2017.

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.