



Ref: SSC/VPF/BSE/2020-21/ 2773

Dt: 16/07/2020

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

BSE SCRIP CODE: 524542

Reg: Notice of the 76th Annual General Meeting (AGM) and Annual Report 2019-20

Dear Sir,

In compliance with Regulations 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening the 76th AGM of the shareholders of the Company and the Annual Report for the financial year ended 31st March, 2020. The same is being circulated through electronic mode to all the shareholders of the Company whose E-mail addresses are registered with the Company or Depository Participant(s), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India amid COVID-19 Pandemic. The Notice and the Annual Report has also been made available on the Company's website at <http://www.sukhjitgroup.com/pdf/Annual-Report-2020.pdf>

The 76th AGM of the shareholders of the Company will be held on Thursday, the 13th day of August, 2020 at 10.00 A.M. in Blood Bank Bhawan, Ist Floor Hall, Guru Hargobind Nagar, Phagwara, strictly adhering to the Social Distancing Norms and Other Safety Protocols as per the latest guidelines / advisories / SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic.

Further, the facility/option to transact through Remote Electronic Voting is also being provided to the shareholders. The remote E-voting will start on Monday, August 10, 2020 at 9.00 A.M. and will end on Wednesday, August 12 2020 at 5.00 P.M. The cut-off date for the purpose of determining the shareholders for E-voting is August 7, 2020.

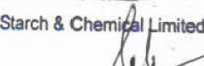
As already intimated, the Register of Members and the Share Transfer Books of the Company will remain closed from 08-08-2020 to 13-08-2020 (both days inclusive) for the purpose of holding the Annual General Meeting of the Company/ payment of Dividend.

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

Thanking You,

Yours Faithfully,

For The Sukhjit Starch & Chemical Limited


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

Encl: as above

76th
Annual Report
2019-20



THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Smt. Manjoo Sardana - Chairperson

S. Ranbir Singh Seehra

Smt. Ruby Agrawal

Sh. Vikas Uppal

Smt. Shalini Umesh Chablani

Sh. K.K. Sardana - Managing Director

Sh. M.G. Sharma - Executive Director (Fin) & CFO

BANKERS

Punjab National Bank

G.T. Road, Phagwara-144 401.

AUDITORS

M/s VSAP & Associates

Chartered Accountants

Street No. 1, Patel Nagar,

Banga Road, Phagwara-144 401.

REGISTERED OFFICE

Sarai Road, Phagwara

Distt. Kapurthala, Punjab-144 401

CIN : L15321 PB1944 PLC001925

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Skyline Financial Services (Pvt.) Ltd.

D-153A, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi-110 020

Tel. : 011-26812682, 83

Fax : 011-26812684



NOTICE

NOTICE is hereby given that the 76th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Thursday, the 13th day of August, 2020 at 10.00 A.M. in Blood Bank Bhawan, 1st Floor Hall, Guru Hargobind Nagar, 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 31.03.2020.
2. To declare dividend on the Equity Shares for the year ended 31.03.2020.
3. To appoint Director in place of Sh. Kuldip Krishan Sardana (DIN: 00398376) who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of Auditors for a further period of 1 year i.e. from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of the Companies Act, 2013 and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :
"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the consent of the members be & is hereby granted to the appointment of Sh. Vikas Uppal (DIN: 00796828), as a Non Executive Independent Director of the Company w.e.f. 21st January, 2020 to hold office for a period of 5 years i.e upto 20th January, 2025".
6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution :
"RESOLVED THAT pursuant to the provisions of section 149, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the consent of the members be & is hereby granted to the appointment of Smt. Shalini Umesh Chablani (DIN No. 00885883), as a Non Executive Director of the Company w.e.f. 21st January, 2020 to hold office for a period of 3 years i.e upto 20th January, 2023".
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, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time), the consent of the members be & is hereby granted to the appointment of Sh. Tarsem Singh Lally (DIN: 00381009) as a Non- Executive Independent Director of the Company for a period of three years i.e. upto 12th August, 2023".



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 14 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with applicable Rules and Regulations made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such approvals as may be required, the consent of the shareholders of the Company be and is hereby accorded for effecting the following alterations in the Articles of Association (the 'AOA') of the Company by deleting following clause :

To delete (retrospectively, since the date of applicability of the Companies Act, 2013) the existing clause no. 74 of the Articles of Association of the Company, reading as:-

"The qualification of a Director, other than an ex-officio and Technical Director, if any, shall be the holding of, in his own name or jointly with any person whether beneficially or as a trustee for any Company or person or otherwise, ordinary share in the Company of the nominal value of rupees five thousand".

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby severally authorized to do all such acts/deeds/things as may be deemed necessary to give effect to this resolution.

9. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2021, 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, 2021, be and is hereby ratified".

By Order of the Board
Sd/-

AMAN SETIA

Vice President (Finance)
& Company Secretary

Place : Phagwara.

Dated : 12th June, 2020

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

ITEM NO. 5

Sh. Vikas Uppal, a renowned industrialist, has been appointed by the Board as an Additional Non Executive Independent Director to hold office till the conclusion of this Annual General Meeting and requires the approval of shareholders in the AGM for his regularization as the Non-Executive Independent Director of the Company.

Sh. Vikas Uppal is having vast experience of over three decades in manufacturing administration, management and commercial fields. He is Chairman of M/s Opal Engines Pvt. Ltd., Director of M/s. GNA Axles Ltd. and M/s Sukhjit Mega Food Park & Infra Ltd.

In terms of Section 149, 150, 152 and any other applicable provision of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations,



2015, he is being appointed as Independent Director for a period of 5 years and shall not be liable to retire by rotation.

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

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

The Board considers that his association would be of immense benefit to the Company. Accordingly, the Board recommends the appointment of Sh. Vikas Uppal proposing to pass the resolution set out in item no. 5. Save and except Sh. Vikas Uppal and his relatives to the extent of their shareholding interest, if any, in the company with regard to his appointment, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

ITEM NO. 6

Smt. Shalini Umesh Chablani has also been appointed by the Board as an Additional Non Executive Director to hold office till the conclusion of this Annual General Meeting and requires the approval of shareholders in the AGM for her regularization as the Non-Executive Director of the Company. Smt. Shalini Umesh Chablani has rich corporate exposure and commercial expertise. Her induction of the Board, she will further strengthen the composition of the Board.

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

Smt. Shalini Umesh Chablani is Commerce Graduate from Lady Shriram College of commerce, Delhi and has a sound professional background. She brings with her diverse experience and skills in various fields which will further strengthen the composition of the Board of Directors of the Company.

She is Director of Tea-Ma Consortium India Ltd. & Britannia Sales & Services Pvt. Ltd. & holds 87,514 shares of the Company.

Save and except Smt. Shalini Umesh Chablani and her relatives to the extent of their shareholding interest, if any, in the company with regard to her appointment, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

ITEM NO. 7

The Company has received a notice u/s 160 of the Companies Act, 2013 from a shareholder along with a necessary deposit, as required under the provisions of the Act, proposing the candidature of Sh. Tarsem Singh Lally as a Non-Executive Independent Director of the Company. The Company has also received his consent to act as a Director of the Company u/s 152(5), Notice of Interest u/s 184 (1) and requisite declarations that he is not disqualified for being appointed as Independent Director of the Company in terms of Section 164 of the Companies Act, 2013 read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not related to any of the Directors of the Company under the provisions of the section 2(77) of the



Companies Act, 2013. His appointment will be made for a period of 3 years i.e. upto 12th August, 2023 and he shall not be liable to retire by rotation as per the provisions of the act.

Sh. Tarsem Singh Lally is Engineering Graduate and an experienced entrepreneur with sound business background. He has lifelong commercial/ technical experience of over 45 years in various fields to his credit. He is director of many companies like:

- Lally Motors India PVT. Ltd.
- Lally Motors Services Pvt. Ltd.
- Lally Hotels Pvt. Ltd.
- Dee Aar Finance & investment Pvt. Ltd.
- Lally Motors Pvt. Ltd.
- Prince Bus & Transport Co. Ltd.
- Prestige Protection Services Pvt. Ltd.
- Lally Performance Cars Pvt. Ltd.
- Gautam Iron Mills Pvt. Ltd.
- Sukhjit Mega Food Park & Infra Ltd.

He brings with him decades long expertise and will strengthen the composition of the Board of the Company. He, being 75 years of age, requires special resolution to be passed in the General Meeting for his appointment as per the provisions of the Act read with rules thereafter & SEBI (LODR) Regulations, 2015. Hence, this resolution has been proposed as a special resolution.

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

He will be paid sitting fee, reimbursement of travelling expenses and commission on profits, as payable to other Independent Directors of the Company, as per the rules of the Company and in consonance with the provisions of the Companies Act, 2013 read with rules made thereunder as amended time to time.

Save and except Sh. Tarsem Singh Lally and his relatives to the extent of their shareholding interest, if any, in the company with regard to his appointment, none of the other Directors/Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

ITEM NO. 8

The Articles of Association of your company under clause 74 requires holding of qualification shares by the Directors including Independent Directors. The provisions of the Companies Act, 2013 do not provide for any such holding of qualification shares by the Directors. The Board of Directors have, therefore, approved the deletion of the said clause of AOA subject to the approval of the shareholders. The deletion of the said clause/ amendment of AOA will make the articles in conformity with the provisions of the Companies Act, 2013 for holding qualification shares.

The Board, thereof recommends the said Special Resolution for approval of the Members.

A copy of the proposed AOA of the Company would be available for inspection for the Members at the Registered Office/Corporate Office of the Company during the office hours on any working day, except Saturdays, Sundays and public holidays, between 10.00 a.m. to 5.00 p.m. till the date of AGM. The aforesaid documents shall also be available for inspection at the AGM.



ITEM NO. 9

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Khushwinder Kumar & Associates as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2021.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors i.e. Audit fee of ₹ 80,000/- (as per Previous Year) plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the financial year ending March 31, 2021 by passing an Ordinary Resolution as set out at Item No. 8 of the Notice. None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

NOTES :

1. **The AGM will be held at the said venue by strictly adhering to the Social Distancing Norms and Other Safety Protocols including face masks, hand sanitization etc. as per the latest guidelines / advisories / SOP's issued by the Ministry of Health & Family Welfare, Govt. of India and the State Govt. amid COVID-19 Pandemic.** Entry to the venue will be made on 'first come first basis' according to the maximum permissible limit for a gathering at a place (presently fifty) as per the lock down restrictions prevailing at that time.
2. **A MEMBER ENTITLED TO ATTEND AND A VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. **In consonance with the MCA circulars and the SEBI circular dated May 12, 2020, in view of COVID-19 pandemic, the notice of the AGM along with the Annual Report for the financial year 2019-20 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. The members, who have not registered their E-mail IDs with the company are once again requested to kindly register / update their e-mail IDs by following the below mentioned link :**

<https://www.sukhjitgroup.com/registration/formpage.html>

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

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

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during Financial Year 2020-21 does not exceed Rs. 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / Nil deduction of Tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

The aforementioned documents are required to be submitted at admin@skylinerta.com and/or vipan@sukhjitgroup.com by the shareholders and should reach us on or before 31st July, 2020. Any communication may not be entertained after 31st July, 2020 in this regard.



5. The details of the directors seeking appointment/re-appointment as required by Regulation 26(4) & 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed herewith marked as "Annexure 1". The Board of Directors has recommended all the proposed appointments/re-appointments of the Directors.
6. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail IDs by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents / all communications including Annual Reports, Notices, circulars etc. in electronic form.
7. The Register of Members and the Share Transfer Books of the Company shall remain closed from 08.08.2020 to 13.08.2020 (both days inclusive).
8. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
9. Members are hereby informed that, Dividends which remain unclaimed / unencashed for over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 125 of the Companies Act, 2013. Members can claim the transferred amount from IEPF Authority as per the procedure laid down under the Act.
10. Members, who have not en-cashed their dividend warrants for Interim and Final Dividend for the financial year 2012-2013, 2013-14, 2014-15, Interim Dividend 2015-16, 2016-17, 2017-18 & 2018-19 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid / unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026

11. Members holding shares in single name and physical form are advised to make nomination in respect of their share-holding in the Company. Every person, who becomes the nominee under the provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
12. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to notify their PANs to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PANs to the Company / RTA.
13. (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 10th August, 2020

End of e-voting : Upto 5.00 P.M. on 12th August, 2020

E-voting shall not be allowed beyond 5.00 P.M. on 12th August, 2020. 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 cutoff date of e-voting is 7th August, 2020. The date of determination of shareholders for the purpose of communicating the notice is 10th July, 2020.

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

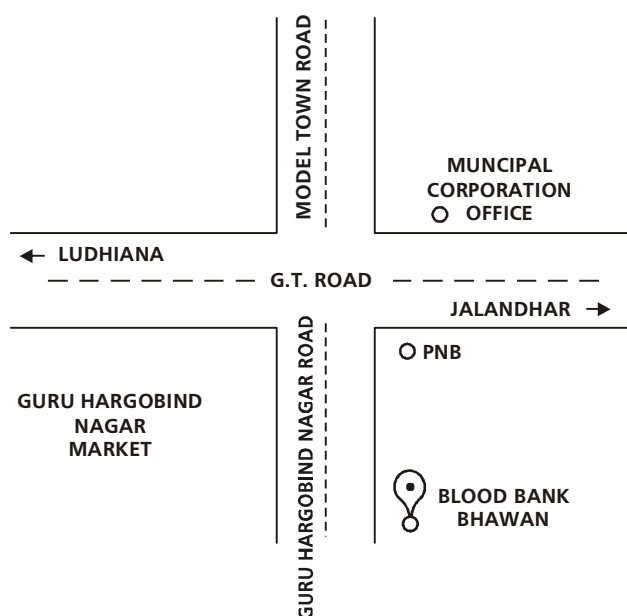
It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

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

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

- (c) Those members who have registered their e-mail IDs with the Company / their respective Depository Participants are being forwarded the login ID and password for e-voting by e-mail. **The members, who have not registered their e-mail IDs with the company are once again requested to kindly register / update their e-mail IDs by following the below mentioned link :**
<https://www.sukhjitgroup.com/registration/formpage.html>
- (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





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

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

Name of the Director	Sh. Vikas Uppal	Smt. Shalini Umesh Chablani	Sh. Tarsem Singh Lally	Sh. Kuldip Krishan Sardana
DIN	00796828	00885883	00381009	00398376
Date of Birth	29.07.1964	30.07.1963	17.09.1944	02.02.1948
Age	55	56	75	72
Date of first appointment on the Board	21.01.2020	21.01.2020	13.08.2020	01.09.1990
Qualifications	B.E. (Mechanical)	B.Com (Hons.)	B.E. (Mechanical)	B.A.
Experience and Expertise	Over 30 years	Over 25 years	Over 45 years	Over 45 years
Number of Meetings of the Board attended during the year	One	One	–	Five
List of Directorship of other Board	<ul style="list-style-type: none"> • GNA Axles Ltd. • Opal Engines Pvt. Ltd. • Sukhjit Mega Food Park & Infra Ltd. 	<ul style="list-style-type: none"> • Tea-Ma Consortium India Ltd. • Britannia Sales and Services Pvt. Ltd. 	<ul style="list-style-type: none"> • Lally Motors India Pvt. Ltd. • Lally Motors Services Pvt. Ltd. • Lally Hotels Pvt. Ltd. • Dee Aar Finance & Investment Pvt. Ltd. • Prince Bus & Transport Co. Ltd. • Prestige Protection Services Pvt. Ltd. • Lally Performance Cars Pvt. Ltd. • Gautam Iron Mills Pvt. Ltd. • Sukhjit Mega Food Park & Infra Ltd. 	<ul style="list-style-type: none"> • Scott Industries Ltd. • Sukhjit Mega Food Park & Infra Ltd.
List of Membership / Chairmanship of Committees of other Board	Chairman of Nomination & Remuneration Committee and member of Audit Committee of Sukhjit Mega Food Park & Infra Ltd.	Member of Audit Committee of Tea-Ma Consortium India Ltd.	Chairman of Audit Committee of Sukhjit Mega Food Park & Infra Ltd.	Member of Audit Committee & Nomination & Remuneration Committee of Sukhjit Mega Food Park & Infra Ltd.



Name of the Director	Sh. Vikas Uppal	Smt. Shalini Umesh Chablani	Sh. Tarsem Singh Lally	Sh. Kuldip Krishan Sardana
Shareholding in Sukhjit Starch & Chemicals Ltd.	–	87514	–	1319909
Relationship with other directors, manager and other Key Managerial Personnel of the Company	No relationship	No relationship	No relationship	No relationship
Terms and Conditions of appointment or reappointment along with details of remuneration sought to be paid and remuneration last drawn by such person	As per the Nomination & Remuneration Policy of the Company.	As per the Nomination & Remuneration Policy of the Company.	As per the Nomination & Remuneration Policy of the Company.	As per the Nomination & Remuneration Policy of the Company.
Justification for choosing the appointees for appointment as Independent Directors	<ul style="list-style-type: none"> • Renowned Industrialist having vast commercial & administration experience over three decades • No relationship with any of the Directors/ KMPs of the Company • Meets the criteria of independence as prescribed under the Act. 	— N.A.—	<ul style="list-style-type: none"> • Renowned Industrialist having more than four decades commercial & technical experience. • No relationship with any of the Directors/ KMPs of the Company • Meets the criteria of independence as prescribed under the Act. 	— N.A.—

Note : The appointment of Sh. Kuldip Krishan Sardana has been made by passing special resolution in the Annual General Meeting w.e.f. 1st May, 2019 for a period of 5 years upto 30th April, 2024, under the provisions of section 196 of the Act and special resolution always has an overriding effect on the ordinary resolution. However, he is being retired by rotation by way of abundant caution to formally comply with the provisions of section 152 of The Companies Act, 2013.



WHO WE ARE

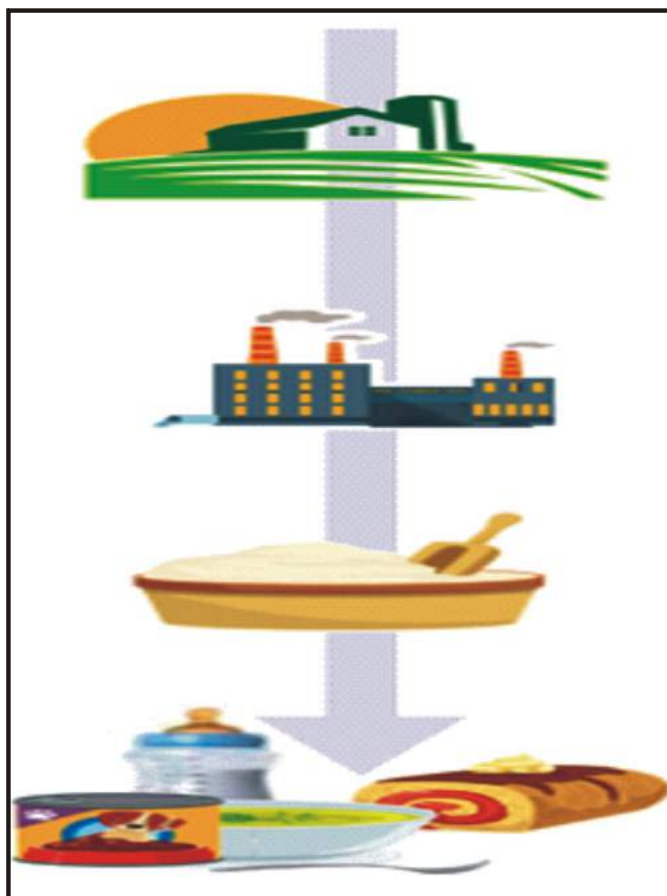
A glimpse into our business and its history

FROM FARM TO FORK

Products that sell well are those that come best ingredients. In this case, a book (a product) 'does get judged' by its cover (its packaging), a book is judged by its content. Similarly products of our buyers are judged by the end user only by the best ingredients used to make it a most preferred brand in its respective category.

Technical and engineering ingenuity – guided always by market insight, local knowledge and deep understanding of our customers – goes into everything we produce.

Open any fridge or kitchen cupboard, in any household practically in any part of the India, and one likely to find products containing our ingredients. With our multi-location technology advanced plants, We serve customers, large and small, in more than 21 states. We are moving from being an ingredient supplier to a growth partner for our customers. We dare to innovate, grow and have an impact. We are a diverse and entrepreneurial team seeking new opportunities with our customers.



Starch is a carbohydrate extracted from agricultural raw materials which is widely present in literally thousands of everyday food and non-food applications. It is the most important carbohydrate in the human diet. Because it is renewable and biodegradable it is also a perfect raw material as a substitute for fossil-fuel components in numerous chemical applications such as plastics, detergents, glues etc. The starch molecule consists of a large number of glucose units joined by glycosidic bonds. It is produced by vegetation as an energy store. It is extracted from best maize available to us. In today's world, starch is a critical value addition to the product helping protect its state, extending its shelf life and ensuring taste for the end user.



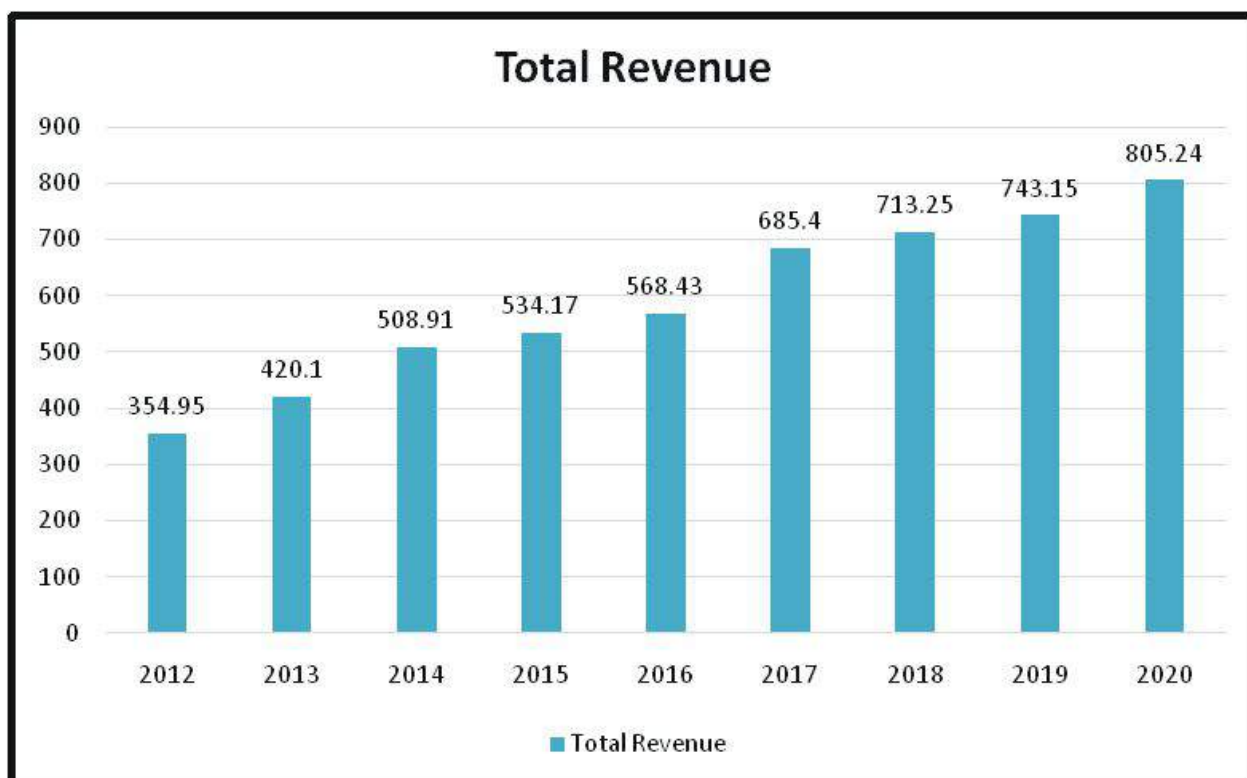
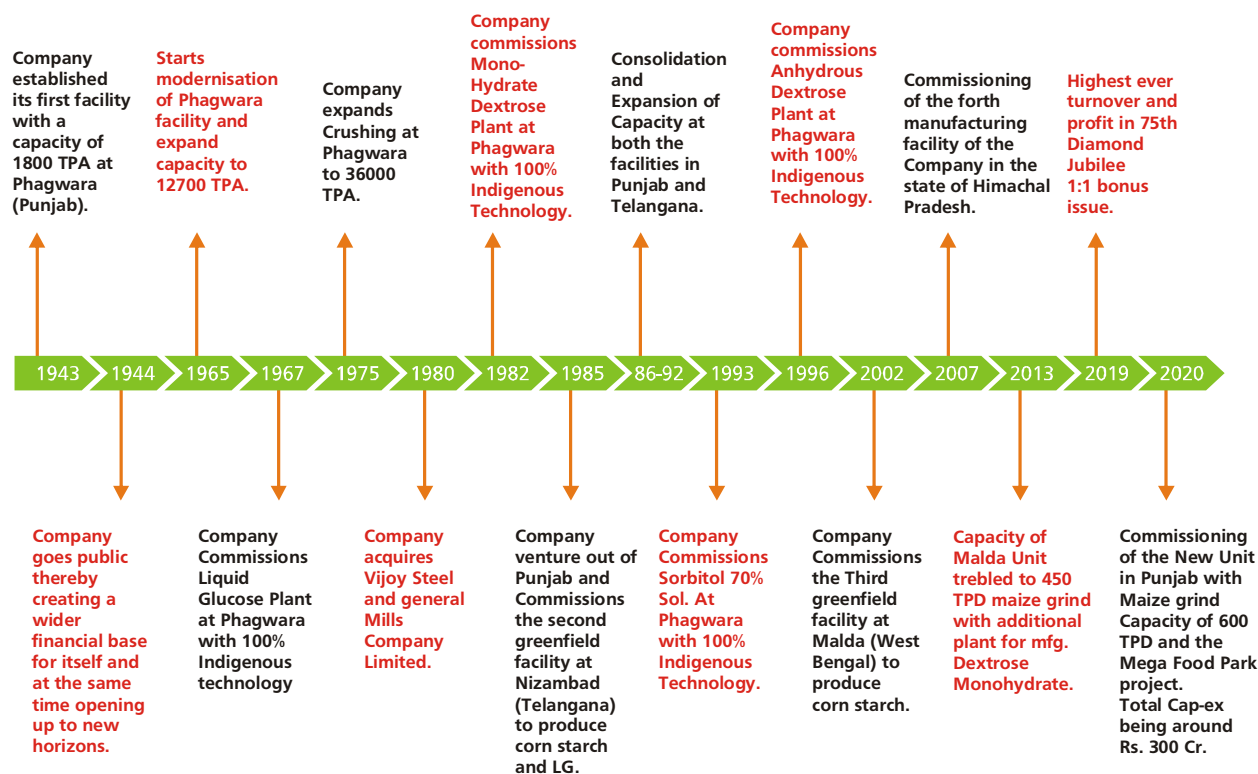
We have a set of infrastructure, technologies and capabilities that make us a one-stop provider for our B2B companies for their quality and long-term solutions. We have forged valuable collaborations with our customers and partners, to gather the right knowledge and develop solutions for their world-class products.

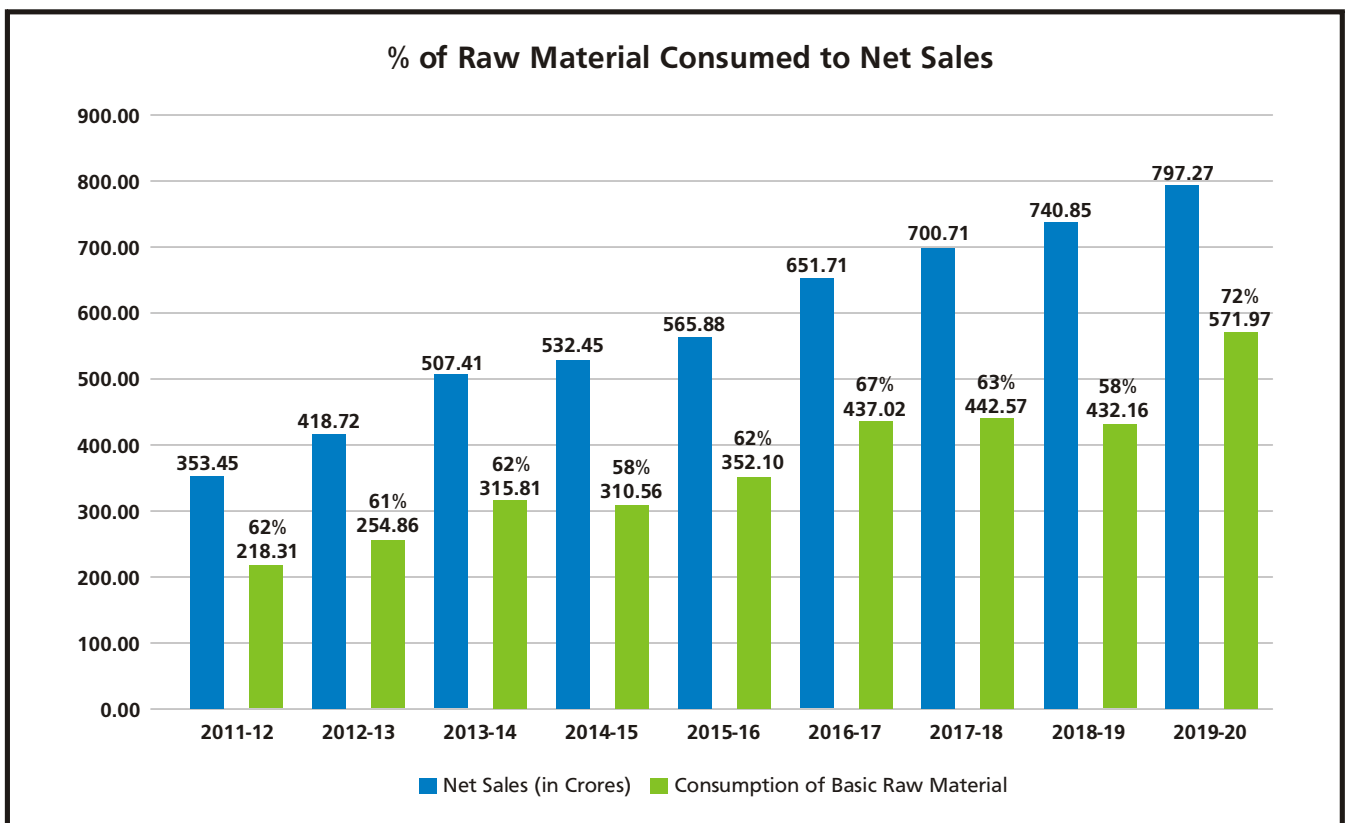
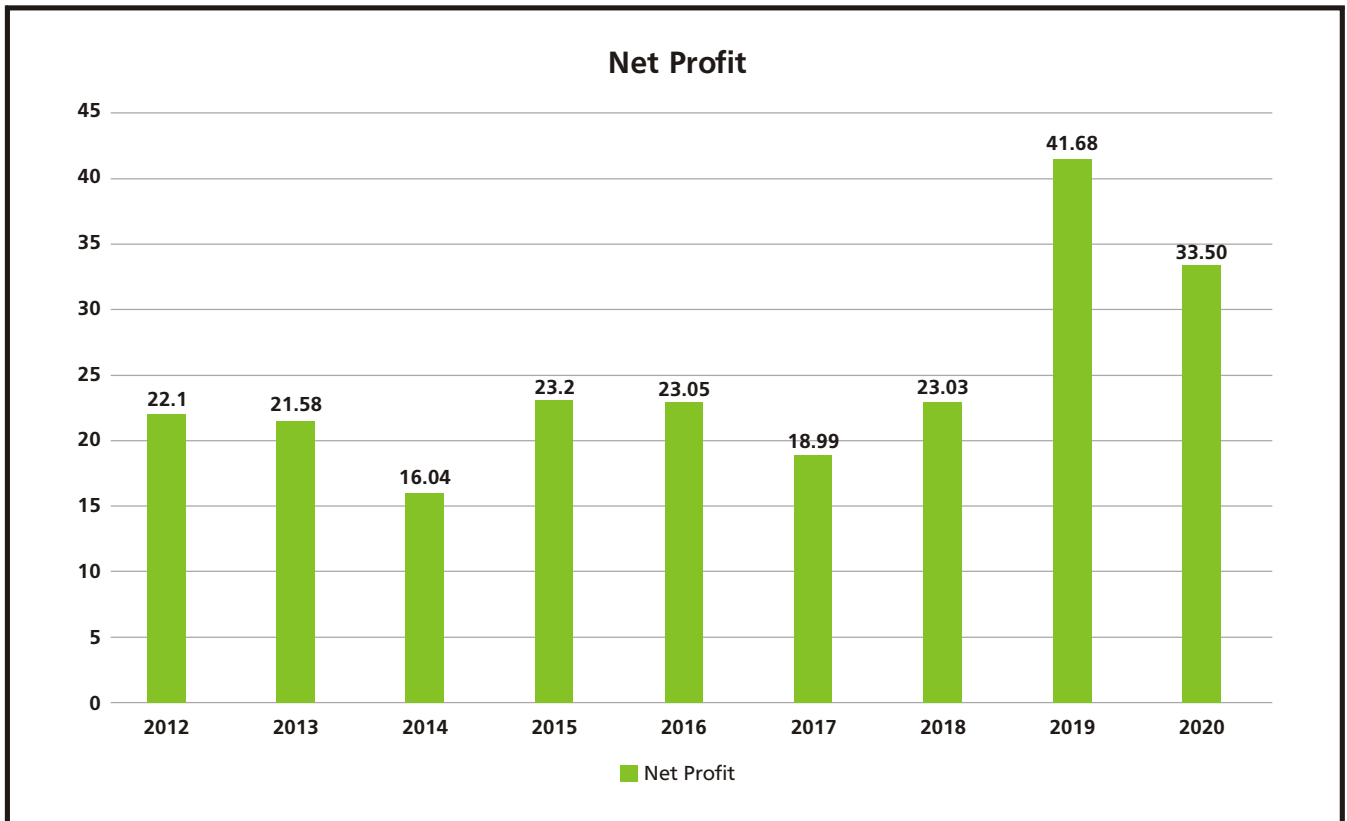


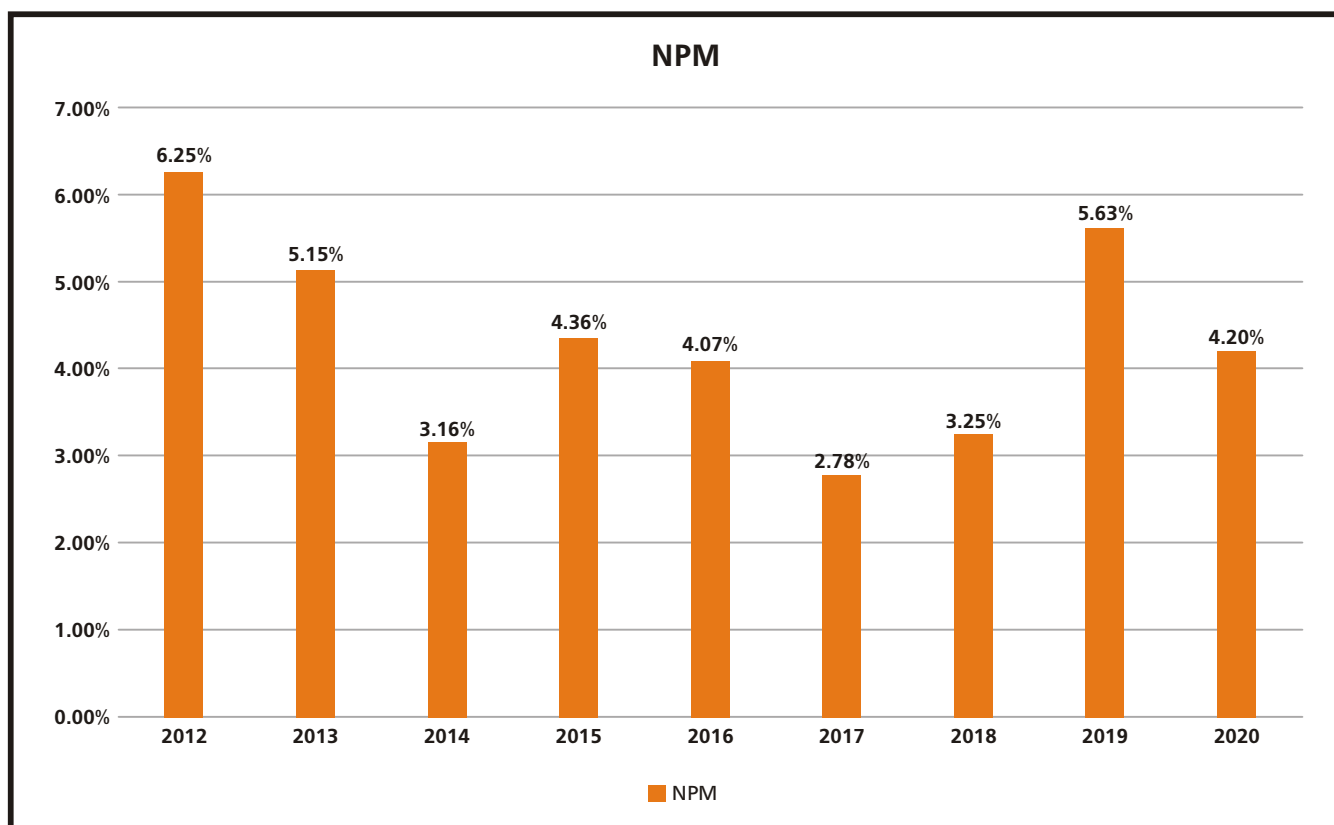
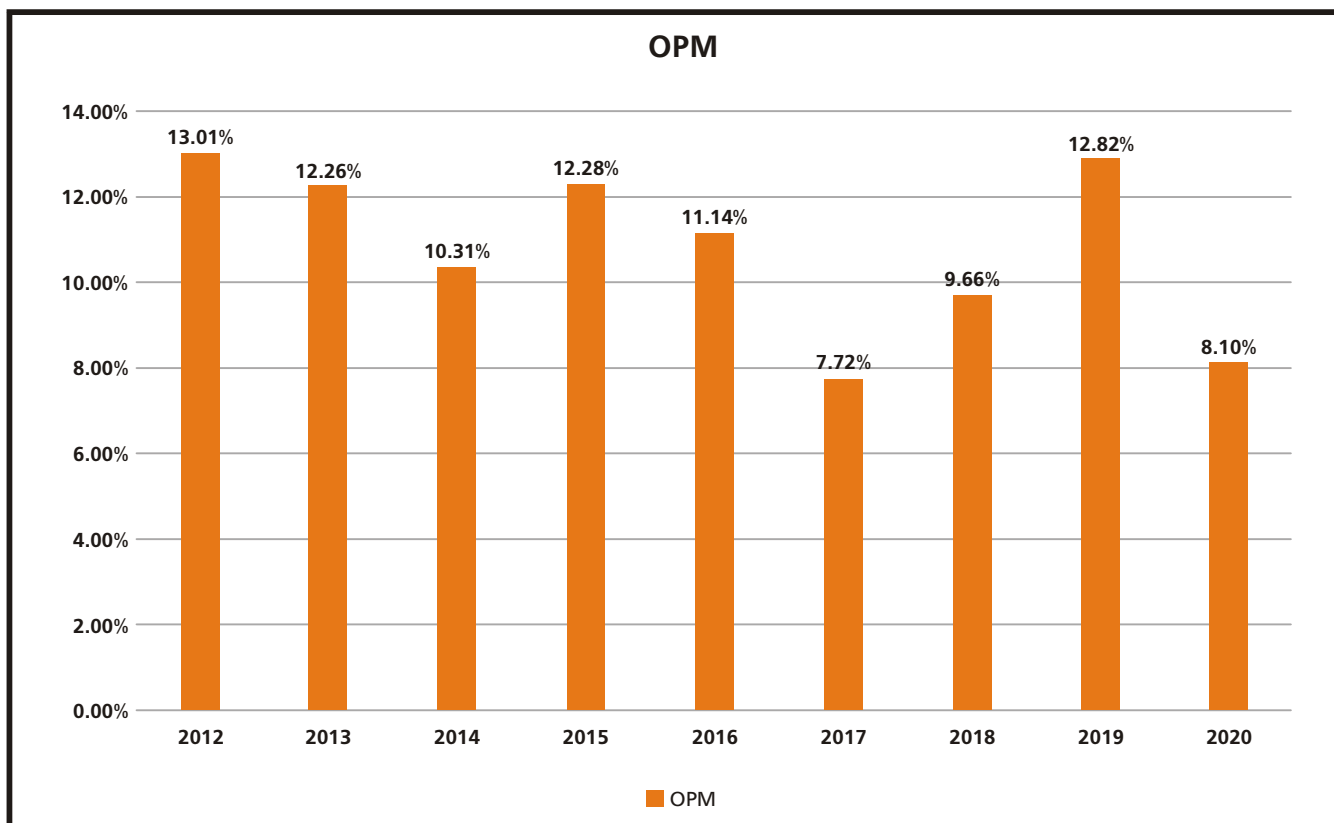




SUKHJIT STARCH CRONOLOGY









MANAGING DIRECTOR'S SPEECH



Dear Fellow Shareholders,

"One of the tests of leadership is the ability to recognize a problem before it becomes an emergency." This is the famous quote from American Businessman Mr. Arnold Henry Glasow. A real American thinker, self-effacing and generous of spirit, he shunned the national spotlight in 1980s.

Trust me, 2020 will be an exceptional year in exceptional times.

The shadow of COVID-19 is firmly upon all of us. Covid-19 is on its way to create what will perhaps be the most serious global economic crisis in a century, since the Great Depression that began in 1929 and lasted a decade. While full numbers for India are not available, data from some other countries paint a dark picture. This contagion will extract a heavy price from humanity and every business. We are confident that Sukhjit will emerge stronger, more resilient, more efficient, more agile and more effective and in doing so, reset, reinvent, reconstruct and rework itself to succeed in the new-normal that will emerge. However, what will remain unwavering will be our integrity, core values of Care and Deliver and resolve to better serve our customers, continuously.

The unfolding, global COVID-19 pandemic is a human crisis of historic scale and complexity. It is straining health care systems, government fiscal capacity, and the ability of many organizations to cope with the changes wrought by the virus and the response to it. The level of uncertainty for most leaders is unprecedented, and most of our frameworks for planning and problem solving are unable to manage the geographic variability, uncertainty, and the exponential change brought by the COVID-19 crisis.

The biggest question is How must we transform our business to win the Fight—and win the Future? Many leaders are asking the same set of questions: How should I forecast my revenues? How should I adjust my budget? When will this be over, and when will we return to "normal"?

In the wake of so much uncertainty, we are focusing on framing potential scenarios and use them to develop a robust plan of action. As the new manufacturing facility for 600 TPD goes into operation, we are conservatively



targeting sales of ₹ 1000 crore FY 2021-22, if all things get normalized till the end of March 2021. To achieve this we will have an ACE strategy this year:

ACE: Accountability, consistency, efficiency to achieve sustainability and efficiency

Already, people and organizations alike are adopting new behaviors. There has been a massive shift to remote work—and to a new kind of work-life balance as work and family mix. Businesses are investing to make remote work more efficient and sustainable. Consumers across demographics are purchasing dramatically more goods online, and companies have built delivery services to meet the demand. Students facing school and university shutdowns have shifted to e-learning, supported by governments providing tablets and videoconferencing systems to make it more accessible.

It's entirely likely that some of those shifts in behavior will be permanent, leading to larger-scale transformations. At-home consumption of goods and services will lead to structural changes in e-commerce, grocery shopping, food preparation, food packaging, clothing styles and healthcare. And virtual access to critical services will create new ways of delivering health care and education.

Looking beyond these changes to second-order effects, we see substantial uncertainty in some of our current offerings. Our team and sales experts are busy in finding how will consumer preferences and consumption habits change further? What will trade, travel, and capital flow look like? New levels of scenario planning will be necessary to address these far-reaching questions and to find the right buyer for our products.

Five factors that stood out, and that we think are relevant today for Sukhjit:

1. **Act proactively.** We will endeavour to preserve cash and cut costs to protect and create a strong foundation for your organization. We will be investing only in necessary areas for long term sustainability.
2. **Stick to a clear vision.** Even as they looked for new sources of growth, we are pursuing the clear vision that we had before the crisis—a vision that was based on a small number of long-term themes. The Fight phase is going to be longer than most leaders we have talked to anticipate. We expect that it will be between 6 to 9 months before a vaccine or highly effective treatment can be developed and deployed.
3. **Increase demand vitality.** The biggest question today is what are the product and service innovations today that you can pursue and perfect after the crisis? Create demand-focused capability and adapt your commercial efforts and your offering to what the customer needs now—and where they currently are at. Step change your online presence and ability to market, sell, and service online.
4. **Create supply agility.** Given variability and uncertainty, build agility and adaptation into your supply base and supply chain. The Fight phase will be more economically challenging than most leaders seem to expect. Because the situation is volatile, consumer and worker confidence has been shaken, and because of the risk of further outbreaks and localized lockdowns, or perhaps even national ones, we envision an ongoing impact to the global economy. There will be huge correction in the prices and we believe that only cost efficient producers will stay in this business in the medium term.
5. **Build enterprise resilience.** We have understood that we couldn't avoid future disruptions, so we built organizations not only to withstand future shocks but also to anticipate them, including streamlining core operations and redesigning processes to capitalize on digital capabilities.

Like every next mid size company, we are also impacted but the strong foundation and our management determination will take the company to sustain and accelerate. We cannot predict the future. But we can seek to understand what the future might hold and what that means for the Nation, industry sectors, and individual



companies. We need scenarios to bound the uncertainty, to help us understand the underlying drivers of outcomes, and for some understanding of how we can shape those outcomes.

We still believe that our success will depend how we partner with the best customers, suppliers and innovators and how we engage the talents of all our people, and support their safety and wellbeing in this Macro economic crisis situation ?

There is great power in simplicity in a complex and challenging world. The management agrees that passion and hard work is critical for driving innovation and competitiveness in a fast-changing and dynamic marketplace. This year's performance is testimony to the hard work and unstinting commitment of our people around the Industry. As a Board, we recognise the importance of good governance but, in my view, the most important contribution any board can make is to support the executive team in developing strategy and implementing it in a focused and responsible way – doing the right things in the right way at all times. To this end, my colleagues and I spent a lot of time this year getting to understand better the strategic opportunities and challenges in the eco-system for Sukhjit.

The investments we've been making over the last few years to build a broader geographical presence, new systems and processes, and new technical and sales capabilities are now coming through in our recent financial results.

Sukhjit is in a good position just because we have focused on two things in all business cycles. First is quality along with consistency and second is preserving cash for future. We are optimistic that we will be debt free in next 2-3 years and will have a portfolio of ingredients well placed to benefit from growing global consumer demand for tastier and healthier foods and drinks. Despite all challenges, Sukhjit team is ready to deliver another year of sustainability and consistency.

On behalf of Board, I extend a warm welcome to Mrs. Manjoo Sardana as our new Chairperson and as Non Executive director. We are also looking forward to using her skills in strategy and other management functions. We also welcome Mr. Vikas Uppal as Non Executive independent director and Mrs. Shalini Umesh Chablani as Non Executive director and look forward to their very productive and positive guidance.

Trust us, the management often has a genuine desire to protect employees, but long-term financial interests are a major consideration as well. Like few other old economy companies, we were able to avoid layoffs. However, the risk on the horizon is potentially much greater than 2008-09 and we are preparing for scenarios that are multiples worse than that.

We would like to thank our employees for their commitment to Sukhjit. It is their hard work, alignment behind our strategy and dedication that enables us to deliver on our promises. We also want to thank you, our shareholders, for your continuing support, your confidence and above all for your trust in this challenging times. Rest assured that our passion to deliver the best and our passion for quality will continue to generate the sustainable, profitable returns you rightfully expect from us.

Regards

K K Sardana

"Success isn't a result of spontaneous combustion. You must set yourself on fire."

- Arnold Henry Glasow



NEW MAIZE PROCESSING FACILITY COMMISSIONED IN PUNJAB



NEW MAIZE PROCESSING FACILITY COMMISSIONED IN PUNJAB



SUKHJIT MEGA FOOD PARK



DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 76th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2020 :-

1. FINANCIAL RESULTS

	2019-20 (₹ in Crores)	2018-19 (₹ in Crores)
Sales & Other income	805.24	743.15
Earning before Interest, tax and Depreciation	64.55	95.00
– Less Interest	18.16	16.28
– Depreciation	13.35	12.74
Profit before tax	33.04	65.98
– Provision for taxes	8.93	21.40
– Deferred Tax/(Deferred Tax written back)	(9.40)	2.90
Profit After Tax	33.51	41.68
Surplus brought forward from previous year	25.62	21.39
Dividend for the F.Y. 17-18 (including Dividend Distribution Tax)	–	5.78
Interim Dividend for F.Y. 18-19 (including Dividend Distribution Tax)	–	6.67
Transfer to General Reserves	25.00	25.00
Surplus carried forward	34.13	25.62

2. PERFORMANCE

Sales and other income of the Company for the year ended 31.03.2020 have increased by about 8% to ₹805.24 Cr from ₹ 743.15 Cr in the previous year. However, profits of the Company have been adversely affected mainly due to high cost of basic raw material i.e. Maize. Late rains in the months of October and November last year had seriously impaired the quality of Kharif Crop in most of the Maize growing areas of Madhya Pradesh, Maharashtra and Karnataka. The prices and availability remained very volatile thereafter increasing the cost of basic raw material considerably. The outbreak of COVID-19 in the last quarter of F.Y. 2019-20 further aggravated the position as COVID-19 has not only shattered the demand for some of the finished goods, but also affected their prices negatively. The Earnings Before Interest, Tax and depreciation have come down to ₹ 64.53 Cr. (₹ 95.0 Cr.) which after interest of ₹ 18.16 Cr. (₹ 16.28 Cr.) and depreciation of ₹ 13.35 Cr. (₹ 12.74 Cr.) resulted in a net profit before tax of ₹ 33.04 Cr. (₹ 65.97 Cr.). The net profit after tax has come down from ₹ 41.67 Cr. to ₹ 33.50 Cr. this year.

3. COVID-19

The national lockdown in March, 2020 and imposition of Curfew in some states due to outbreak of COVID-19 Pandemic has changed the overall economic activity resulting in serious disruption of business operations. The Company has taken necessary steps from time to time to contain the impact of pandemic following the



DIRECTORS' REPORT

statutory guidelines/advisories issued by the Central / State Governments. Owing to the uncertainty in the economic activity, post lifting the lockdown, the Company has carried out due assessment of the possible impact on its business results and its overall liquidity position. The Management has exercised due care in valuation of its inventories, receivables or other assets keeping in mind the risk involved in their recoverable in the foreseeable future. Since the situation is evolving continuously, the impact in future may be different from the estimates made on the date of approval of these results. The Management will continue monitoring the material changes due to the said Pandemic and take necessary measures accordingly to address the situation.

4. FUTURE PROSPECTUS

With the prediction of normal monsoons during the running year, it is expected that high production of agriculture produce will improve the availability of basic raw material at an optimum cost. This will also ensure continuous supply of raw material at all plant locations of the Company. However, the economic disruption amid Covid-19 may impact the business operations during the running year. The Company is trying to optimize the capacity utilization at the existing units and commencement of Production by its new unit (coming up in the state of Punjab and is expected to be operational in Q2 F.Y. 21).

5. DIVIDEND

The Board recommended a Dividend of ₹ 2/- (Rupees Two only) per equity share of the face value of ₹ 10/- each i.e. 20% (Twenty Percent) on paid up equity share capital of the Company for the financial year ended 31st March, 2020, which comes to 40% on the Pre Bonus Capital, which was increased by issue of Bonus shares allotted in the ratio of 1:1 last year. The Company had paid interim dividend of ₹ 7.5/- (Seven Rupees Fifty Paise only) per equity share of the face value of ₹ 10/- each i.e. 75% on the pre bonus capital, in the month of March, 2019.

6. CAPEX & CREDIT RATING

The Credit Analysis & Research Limited (CARE) has maintained the rating CARE A+ for the long term borrowings of the Company and CARE A1 for the short term borrowing of the Company. The Current Assets stood at ₹ 254.25 crores as compared to ₹ 211.27 crores on 31.03.2019 including Inventories at ₹ 152.10 crores on 31.03.2020 against ₹ 53.24 crores in previous year. The level of inventories was higher on 31.03.2020 due to lower sales in the month of March, 2020 owing to the outbreak of COVID-19 and total lockdown from 22.03.2020. The Non Current Assets have increased to ₹ 455.31 Crores (Net) on 31.03.2020 against ₹ 321.55 crores on 31.03.2019 due to planned cap-ex for the new maize processing facility of maize grind capacity of 600 TPD, commissioned in the state of Punjab.

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

7. 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.

8. 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



DIRECTORS' REPORT

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, the report on the Corporate Governance is annexed to this report marked as 'Annexure B'.

9. SHARE CAPITAL

There is no change Equity Share Capital during the F.Y. 2019-20.

10. TRANSFER TO RESERVES

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

11. 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, 2020, the applicable Indian Accounting Standards have been followed and there are no material departures;
- (b) appropriate accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year so ended;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts for the year ended 31.03.2020, have been prepared on a 'going concern' basis;
- (e) the internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

12. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Vijoy Steel & General Mills Company Ltd., Phagwara: The Company held 96.17% of shares in the capital of the Vijoy Steel & the General Mills Co. Ltd. The Company continues providing good engineering support to the manufacturing operations of the Company and has shown turn around during the year under reference. The Company has achieved higher turnover during the year i.e. ₹ 1.95 crores against ₹ 0.71 crores P.Y. by supplying some of the equipment to the new expansion project of the Company.

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

Sukhjit Mega Food Park & Infra Ltd., Phagwara: The Company held 100% of shares in the capital of its subsidiary Sukhjit Mega Food Park & Infra Ltd. The Company has already spent over ₹ 120 crores on the Project. The project is almost ready for commissioning and is expected to commence its operations in Q2 F.Y. 2021.

There has been no material change in the nature of business of the Subsidiaries. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended to date, The Consolidated Financial Statements of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Indian Accounting Standard(s) as prescribed under the Companies Act, 2013.



DIRECTORS' REPORT

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being annexed with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2020 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 place the annual accounts of subsidiaries on its website and shall provide the requisite information to any shareholder on demand.

13. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

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

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the employees who are in receipt of remuneration over ₹1.02 crores p.a. if employed throughout the year or ₹ 8.5 lacs p.m. if employed for a part of the year during 2019-20 are given below :

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri K.K. Sardana	72	Managing Director w.e.f. 1st May, 2019	106.56

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	49	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	74	Managing Director upto 29th April, 2019	11.96

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	54	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager



DIRECTORS' REPORT

Note :

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

14. DIRECTORS

- (a) The Board have co-opted Sh. Vikas uppal (DIN: 00796828) as an Additional Non- Executive Independent Director on 21.01.2020. He will hold the office till the Annual General Meeting and Board has recommended his appointment as an Non-Executive Independent Director of the Company. He is having long experience of over three decades in the manufacturing, administration, management fields. Presently he is the Managing Director of Opal Engines Pvt. Ltd.
- (b) Smt. Shalini Umesh Chablani (DIN:00885883) has been co-opted as a Non- Executive Additional Director of the Company on 21.01.2020. The Board has recommended her appointment as Non- Executive Woman Director of the Company in the ensuing Annual General Meeting. She is Commerce Graduate and is presently a Director of Tea-Ma Consortium Ltd. and Britannia Sales and Services Pvt. Ltd. She has rich experience in the field of marketing, trade & commerce besides having a rich industrial back ground. She brings with her diverse experience and skills.
- (c) A notice has been received from shareholders u/s 160 of the Companies Act, 2013 proposing the appointment of Sh. Tarsem Singh Lally (DIN:00381009) to the office of the Non- Executive Independent Director of the Company. Accordingly, a resolution for his appointment has been proposed to be passed by the shareholders in the ensuing Annual General Meeting. Sh. Tarsem Singh Lally is engineering graduate and an experienced entrepreneur with sound business background. He has lifelong commercial/ technical experience of over 45 years in various fields to his credit. He is director on the Board of various companies and brings with him decades long business experience and will strengthen the composition of the Board.
- (d) Sh. Vinod Pal Kapahi, a Non Executive - Independent Director of the Company has retired from Directorship on completing of his term as the Non Executive - Independent Director of the Company. The Board placed on record his valuable & rich contribution and guidance in the Board meetings for over fourteen years.
- (e) The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence and comply with all the requirements in pursuance to subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as independent directors under the provisions of the Act and rules thereunder.
- (f) Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the 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 company has in place a suitable policy for the appointment & remuneration of the Directors/ KMPs.

The Company has devised the Board's Performance Evaluation criteria for evaluation of Board's/ Committee's/ Director's performance. The performance of the Committees was evaluated by the Board



DIRECTORS' REPORT

on the basis of the criteria such as the composition of committees and effectiveness of committee meetings etc.

Separate Meeting of Independent Director of the Company was held on 13th November, 2019 and it reviewed the performance of Non- Independent Directors, the Board as a whole and also the Chairperson of the Company. The same was placed on record and discussed in the board meeting following the meeting of the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

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

15. INTERNAL FINANCIAL CONTROLS

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

16. VIGIL MECHANISM

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

17. RISK MANAGEMENT POLICY

The company recognizes that the risk management and internal control are the key elements of good corporate governance and has formulated the risk management policy which describes the manner in which the company identifies, assesses, monitors and manages risks. The details of the policy are available at company's website.

18. AUDIT COMMITTEE

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

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



DIRECTORS' REPORT

During the year under reference, the Audit Committee of the Company consisted of Sh. V.P. Kapahi as Chairman and S. Ranbir Singh Seehra, Smt. Ruby Agarwal and Sh. M.G. Sharma as its members. The recommendations made by the Audit Committee were accepted by the Board.

19. GENERAL DISCLOSURE

- (i) All the deposits have been accepted/ renewed / repaid as per the provisions of the Companies Act. The company had no unclaimed / unpaid deposits on 31/03/2020. Unsecured Loans as on 31/03/2020 include ₹ 5.77 crores (P.Y. ₹ 3.30 crores) received from directors, which have not been given out of funds acquired by them by borrowing or accepting loans or deposits from others, as per the declarations received from the concerned directors.
- (ii) No shares have been issued during the year under reference with differential rights as to dividend, voting or otherwise.
- (iii) There is no significant and material order passed by any regulator, court, tribunal which may impact the going concern status of the Company and Company's operations in future.
- (iv) There is no change in the nature of company's business during the year under review.
- (v) There was no instance of fraud during the year under reference which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made thereunder.
- (vi) The Board has constituted an Internal Committee for redressal of grievance / complaint (if any) under "Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013." The committee has not received any complaint during the year under reference.

20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities carried out during the financial year 2019-20 is annexed herewith marked as 'Annexure D' to this report.

21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. The salaries/ remuneration of the directors and KMPs have been fixed after due consideration by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. However, the transactions with subsidiary Companies are incurred after due appraisal, approval(s) at appropriate levels and omnibus approval by the audit committee / board, which are in the ordinary course of business and are at arm's length price, in terms of IND AS-24 and given as per Point No. 7 of the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company appears on the Company's website at the link: http://sukhjitgroup.com/Policy_dealing.html.

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

Particulars of loans given and Investments made are provided in the standalone financial statements. The Company has given/provided some Guarantees / Securities to the Govt. / other Departments in the ordinary course of business. Corporate guarantee(s) for Rs. 40 crores to Yes Bank Ltd. and Rs. 20 crores to Citi Bank N.A. have been given against the Term Loans for setting up the Mega Food Park by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. and there is no third party Guarantee / security given / provided by the Company.



DIRECTORS' REPORT

23. EXTRACT OF ANNUAL RETURN

Extract of the Annual Return of the Company is annexed herewith as 'Annexure E' to this report. A copy of the same has also been placed on Company's website at the link :

<http://sukhjithgroup.com/extract of annual return.html>.

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

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

25. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

M/s VSAP & Associates, Chartered Accountants, the retiring Auditors of the Company have confirmed their eligibility to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Board of Directors recommend the re-appointment of M/s VSAP & Associates, Chartered Accountants as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. The Company has paid a sum of ₹ 5.90 lacs (incl. GST) to M/s VSAP & Associates, Chartered Accountants as audit fees during the Financial Year ended 31st March, 2020.

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

Cost Auditors :

The Board of Directors recommends the re-appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2020-21, subject to the approval of the Central Government. The Cost Audit Report for the financial year ended 31st March 2020 is due to be filed with the Ministry of Corporate affairs on or before the September, 2020 and the cost audit report for the financial year ended 31/03/2019 was duly filled on 31/10/2019.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit report for the financial year ended March 31, 2020 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 2020-21. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

26. ACKNOWLEDGEMENT

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

Yours truly,

For and on behalf of the Board,

Sd/-

Sd/-

MANJOO SARDANA

K.K. SARDANA

Chairperson

Managing Director

Dated : 12th June, 2020



ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy

The swift and massive shock of the coronavirus pandemic and shutdown measures to contain it have plunged the global economy into a severe contraction. According to World Bank forecasts, the global economy will shrink by 5.2% this year. That would represent the deepest recession since the Second World War, with the largest fraction of economies experiencing declines in per capita output since 1870, the World Bank says in its June 2020 *Global Economic Prospects*.

Economic activity among advanced economies is anticipated to shrink 7% in 2020 as domestic demand and supply, trade, and finance have been severely disrupted. Emerging market and developing economies (EMDEs) are expected to shrink by 2.5% this year, their first contraction as a group in at least sixty years. Per capita incomes are expected to decline by 3.6%, which will dip millions of people into extreme poverty this year.

Table 1. Real GDP

(Percent change from previous year)

Percentage point differences
from January 2020 projections

	2017	2018	2019c	2020f	2021f	2020f	2021f
World	3.3	3.0	2.4	-5.2	4.2	-7.7	1.6
Advanced economics	2.5	2.1	1.6	-7.0	3.9	-8.4	2.4
United States	2.4	2.9	2.3	-6.1	4.0	-7.9	2.3
Euro Area	2.5	1.9	1.2	-9.1	4.5	-10.1	3.2
Japan	2.2	0.3	0.7	-6.1	2.5	-6.8	1.9
Emerging market and developing economics	4.5	4.3	3.5	-2.5	4.6	-6.6	0.3
Commodity-exporting EMDEs	2.2	2.1	1.5	-4.8	3.1	-7.4	0.2
Other EMDEs	6.1	5.7	4.8	-1.1	5.5	-6.2	0.3
Other EMDEs excluding China	5.4	4.8	3.2	-3.6	3.6	-7.6	-0.8
East Asia and Pacific	6.5	6.3	5.9	0.5	6.6	-5.2	1.0
China	6.8	6.6	6.1	1.0	6.9	-4.9	1.1
Indonesia	5.1	5.2	5.0	0.0	4.8	-5.1	-0.4
Thailand	4.1	4.2	2.4	-5.0	4.1	-7.7	1.3
Europe and Central Asia	4.1	3.3	2.2	-4.7	3.6	-7.3	0.7
Russia	1.8	2.5	1.3	-6.0	2.7	-7.6	0.9
Turkey	7.5	2.8	0.9	-3.8	5.0	-6.8	1.0
Poland	4.9	5.3	4.1	-4.2	2.8	-7.8	-0.5
Latin America and the Caribbean	1.9	1.7	0.8	-7.2	2.8	-9.0	0.4
Brazil	1.3	1.3	1.1	-8.0	2.2	-10.0	-0.3
Mexico	2.1	2.2	-0.3	-7.5	3.0	-8.7	1.2
Argentina	2.7	-2.5	-2.2	-7.3	2.1	-6.0	0.7
Middle East and North Africa	1.1	0.9	-0.2	-4.2	2.3	-6.6	-0.4
Saudi Arabia	-0.7	2.4	0.3	-3.8	2.5	-5.7	0.3
Iran	3.8	-4.7	-8.2	-5.3	2.1	-5.3	1.1
Egypt ²	4.2	5.3	5.6	3.0	2.1	-2.8	-3.9
South Asia	6.5	6.5	4.7	-2.7	2.8	-9.2	-3.1
India ²	7.0	6.1	4.2	-3.2	3.1	-9.0	-3.0
Pakistan ²	5.2	5.5	1.9	-2.6	-0.2	-5.0	-3.2
Bangladesh ²	7.3	7.9	8.2	1.6	1.0	-5.6	-6.3
Sub-Saharan Africa	2.6	2.6	2.2	-2.8	3.1	-5.8	0.0
Nigeria	0.8	1.9	2.2	-3.2	1.7	-5.3	-0.4
South Africa	1.4	0.8	0.2	-7.1	2.9	-8.0	1.6
Angola	-0.1	-2.0	-0.9	-4.0	3.1	-5.5	0.7
Memorandum items :							
Real GDP¹							
High-income countries	2.4	2.2	1.7	-6.8	3.8	-8.3	2.3
Developing countries	4.8	4.4	3.7	-2.4	4.7	-6.7	0.2
Low-income countries	5.4	5.8	5.0	1.0	4.6	-4.4	-0.9
Brics	5.3	5.3	4.7	-1.7	5.3	-6.6	0.4
World (2010 PPP weights) ⁴	3.9	3.6	2.9	-4.1	4.3	-7.3	1.0
World trade volume⁵	5.9	4.0	0.8	-13.4	5.3	-15.3	2.8
Commodity prices⁶							
Oil price	23.3	29.4	-10.2	-47.9	18.8	-42.5	16.9
Non-energy commodity price index	5.5	1.8	-4.2	-5.9	3.0	-6.0	1.3

Source : World Bank



ANNEXURE 'A' TO THE DIRECTORS' REPORT

The blow is hitting hardest in countries where the pandemic has been the most severe and where there is heavy reliance on global trade, tourism, commodity exports, and external financing. While the magnitude of disruption will vary from region to region, all EMDEs have vulnerabilities that are magnified by external shocks. Moreover, interruptions in schooling and primary healthcare access are likely to have lasting impacts on human capital development.

Factors such as rising trade barriers, growing uncertainty surrounding trade and geopolitics, the macroeconomic strain in several emerging market economies, low productivity growth and ageing demographics were responsible for this subdued growth.

Since uncertainty around the outlook remains exceptionally high, alternative scenarios help illustrate the range of plausible global growth outcomes in the near term. In particular, the baseline forecast for 2020 could prove optimistic. If COVID-19 outbreaks persist longer than expected, restrictions on movement and interactions may have to be maintained or reintroduced, prolonging the disruptions to domestic activity and further setting back confidence. Disruptions to activity would weaken businesses' ability to remain in operation. **Four months into the COVID-19 crisis, we are starting to see patterns in its impact on countries and cities, as well as in these areas' responses. We see three distinct phases. First, there is the "Flatten" phase, in which countries or cities lock down to flatten the virus's exponential growth curve.**

B. Global growth



D. Commodity price changes since January 2020

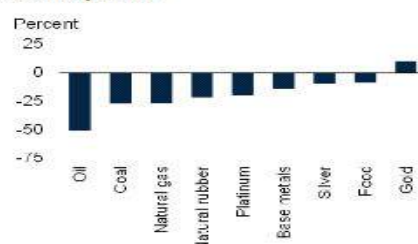


Exhibit 1 | COVID-19 Trajectories Vary Widely Worldwide



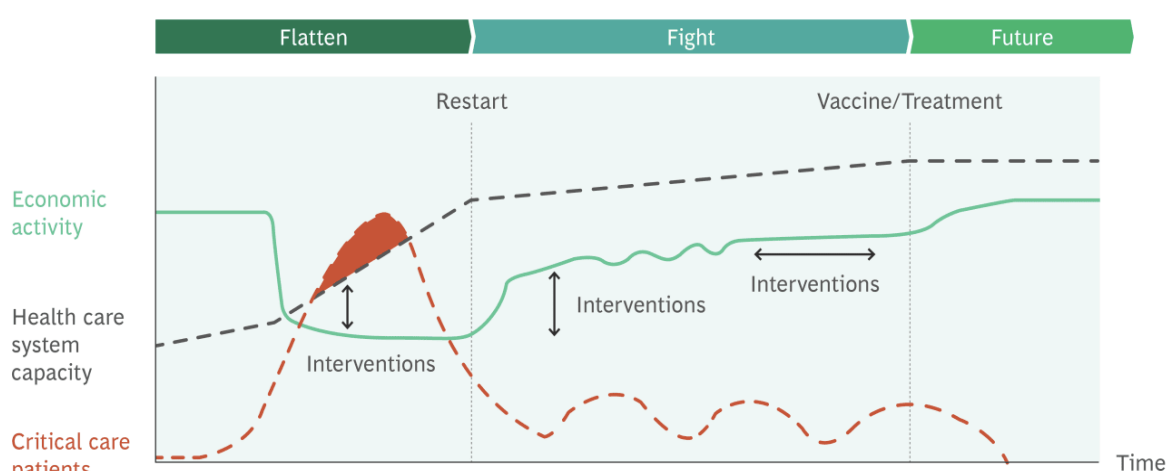
Source : Johns CSSE, as of April 2020



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Second comes the "Fight" phase, during which a geography "Restarts" its economy while maintaining a low rate of infection, while still running the risk of having to implement further lockdowns. Finally, we are anticipating a "Future" phase, which begins only after a vaccine or highly effective treatment has been developed and deployed.

Exhibit 2 | The Journey Depends on a Range of Factors, but the Basic Shape is the Same



Source : BCG analysis

Start to win the fight now. The COVID-19 crisis is special, and it is different from previous crises. It starts on Main Street and entails consumers changing behaviors first in the Flatten phase, due to government-mandated lockdowns, and later in the Fight phase, when they are hesitant to go to congested areas. The amount of change and variation across geographies and over time during the Fight phase is likely to be the largest any of us has ever witnessed.

WHAT ARE THE POTENTIAL GAME-CHANGERS FOR THE NEW WORLD?

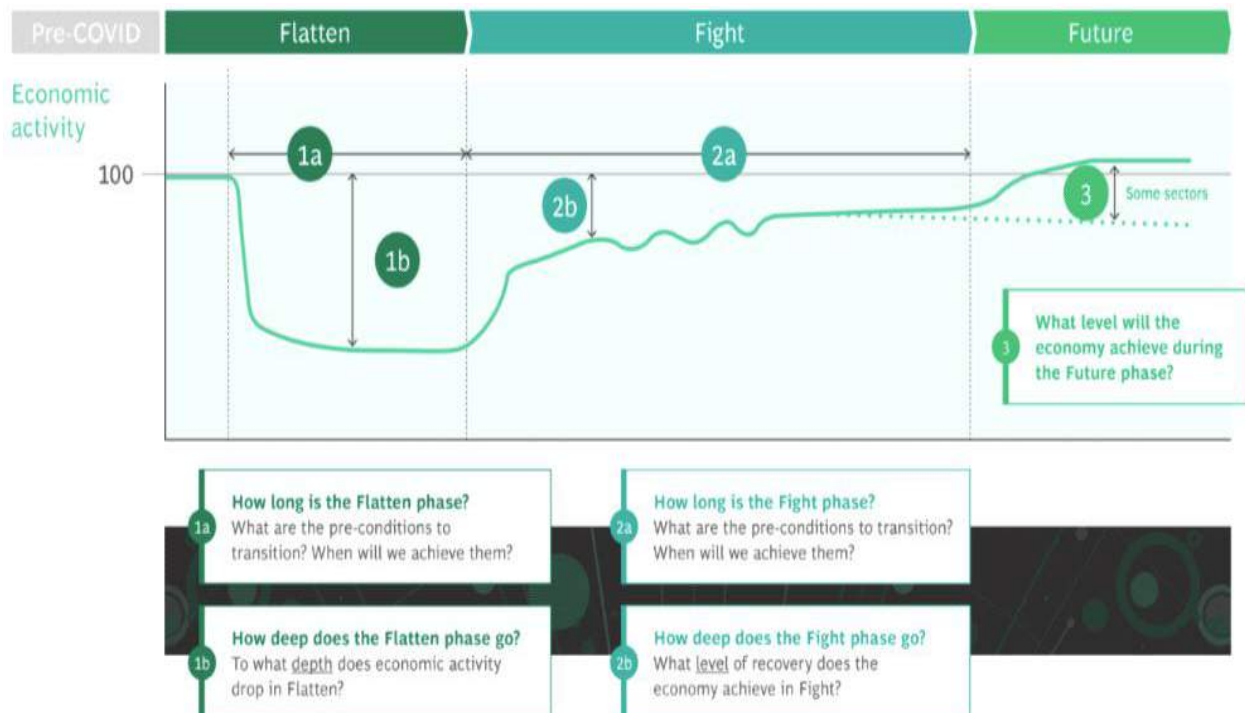
When scenario planning, it is necessary to understand which parameters have the most potential to shift results and what game-changers could lead to different outcomes. Given the timing, we think that the most meaningful potential shifts would take place during the Fight phase. We are monitoring three potential game-changing innovations :

1. **A Vaccine or Treatment for all, Breakthrough in 6 to 9 Months.** Humanity has solved problems like this before. Given the lives and value at stake, it is certain that the financial and human capital devoted to this search is unlike anything we have ever seen.
2. **Breakthrough Developments in "Epinomics".** Historically, there has been little connection between the studies of epidemiology and economics, as modern outbreaks have not been significant enough economic events. Today, however, local government officials and public health decision-makers will have to make decisions that balance the disease trajectory with policy choices—and understand the implications of these tradeoffs. They will also have to adapt and improve the 4T Virus-Monitoring System to get better, faster information about changes in the virus's local status and to tune the monitoring system to reflect policy decisions (such as accompanying a choice to open schools with a surge in testing of students).



ANNEXURE 'A' TO THE DIRECTORS' REPORT

3. **Precise Predictions of Highest-Risk Individuals.** Most of the discussion on testing technology and research focuses on different forms of diagnostic and immunity testing. There is the potential, however, that we can use a combination of genetic, immunologic, and disease-status data to identify individuals most at risk for a severe form of COVID-19. With that capability, we could shift strategies from "Flatten and Fight" to something more like "Protect and Provide". Instead of locking down full populations, once some herd immunity is built, we could choose to let the disease run its course in the very-low-risk population while allocating economic and social resources toward protecting and providing for those at high risk. If the Fight phase is proving to be very costly in terms of lives and resources because we are unable to control the virus, the better approach may be shortening the phase through building herd immunity and reducing economic impact.
- **Be ready to restart.** Most companies have transitioned from ensuring their employees' safety to thinking about the Restart. They are waiting for some policy guidelines in most countries, but they can take cues from those countries already in the process. Restart is a known and coming inflection point, and preparations should start now. How can you begin the preparations to safeguard your workers, your customers, and your workplaces? How can you start working on the long-lead-time items such as PPE, cleaning supplies and equipment, updating employee policies around sick leave, and potentially protecting at-risk populations? How can you implement the corporate version of the 4T Virus-Monitoring System, including needed equipment, such as IR thermometers? Reimagine your operations entirely to COVID-proof them during the Fight, whether on the production line, or in the retail storefront.
 - **Future.** The ultimate goal is to reach the Future phase, at which point a vaccine is approved, available, and widely administered, or at least a highly effective treatment is developed. A vaccine must be 80% to 90% effective to likely provide herd immunity. In this phase, economic activity can be fully restored. Whether or not this restored level is weaker than before will be heavily influenced by the ability of the economic policy launched in the Fight phase to avoid structural damage to firms and households.



Source : BCG analysis



ANNEXURE 'A' TO THE DIRECTORS' REPORT

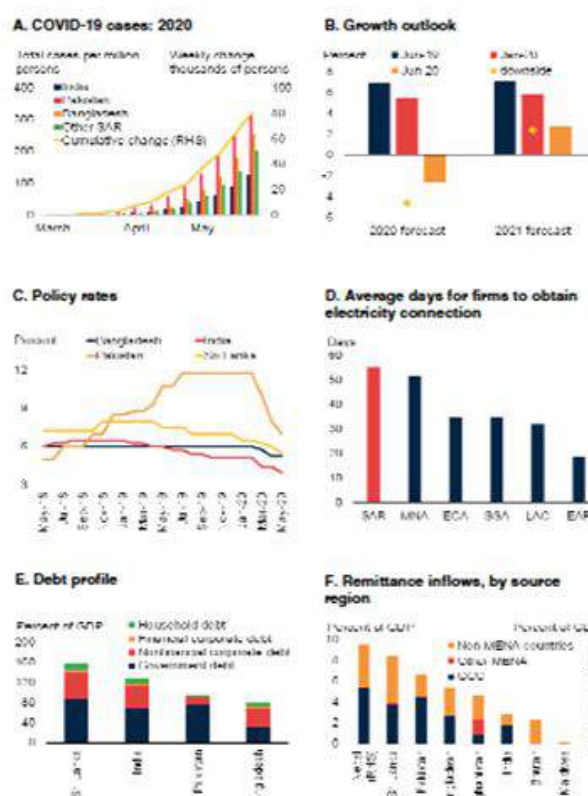
ASIA & INDIA :

As per World Bank report, The COVID-19 outbreak has significantly reduced industrial and services activities and confidence in the region. The pandemic has also rattled its financial markets, including some exchange rate depreciation. Inflation in the region is now contained by subdued activity and low oil prices, allowing room for monetary stimulus to help resuscitate activity and private sector credit.

The COVID-19 pandemic has sharply weakened consumption and manufacturing activity in South Asia, and has damaged the tourism and other services industries across the South Asia region. The deterioration in domestic conditions, together with spillovers from a global economic contraction, are expected to result in an output contraction of 2.7 percent in 2020. Private consumption has been severely hindered as large-scale lockdowns were instituted in several economies, including Bangladesh, India, Nepal and Pakistan. Some recent relaxations to these measures have been cautious, given continued rise in COVID-19 cases. Non-essential business closures stalled retail sales. In rural areas, food and other essential activity deliveries also faced major impediments. Closure of small and medium sized enterprises, a key engine of regional private sector activity, induced substantial loss in employment and private investment. The sharp decline in oil prices in 2020 could provide some support to the region, given sizable oil imports in India and Pakistan, and help cushion fiscal and current account balances. This positive effect may be offset by falling remittance inflows from oil-exporting economies, as economies that host migrants from SAR struggle with the twin challenges of the pandemic and the oil price collapse. These flows are expected to decline by about one-fifth in the SAR region this year (World Bank 2020).

As per latest June 2020, World bank report, Growth in 2021 is projected to recover to 2.8 percent as pandemic mitigation measures are rolled back and services and manufacturing activity resume. An expected tapering of global headwinds is expected to further support recovery of activity in the region. In India, growth is estimated to have slowed to 4.2 percent in FY 2019/20 (the year ending in March-2020) and output is projected to contract by 3.2 percent in FY 2020/21, when the impact of COVID-19 will largely materialize.

Stringent measures to restrict the spread of the virus, which heavily curtail activity, will contribute to the contraction. Spillovers from contracting global growth and balance sheet stress in the financial sector will also adversely impact activity, despite some support from fiscal stimulus and continued monetary policy easing.





ANNEXURE 'A' TO THE DIRECTORS' REPORT

Table 2. South Asia forecast summary

(Real GDP growth at market prices in percent, unless indicated otherwise)

Percentage point differences
from January 2020 projections

	2017	2018	2019e	2020f	2021f	2020f	2021f
EMDE South Asia, GDP^{1,2}	6.5	6.5	4.7	-2.7	2.8	-8.2	-3.1
GDP per capita (U.S. dollars)	5.2	5.2	3.5	-3.8	1.7	-8.1	-3.0
(Average including countries with full national accounts and balance of payments data only) ³							
EMDE South Asia, GDP²	6.5	6.5	4.7	-2.7	2.8	-8.2	-3.1
PPP GDP	6.5	6.5	4.7	-2.8	2.8	-8.3	-3.1
Private consumption	6.4	7.2	4.5	-2.6	3.3	-8.4	-3.0
Public consumption	12.1	8.7	10.8	8.4	6.3	0.6	-1.3
Fixed investment	5.8	11.2	-0.1	-8.2	1.2	-14.6	-5.3
Exports, GNFS ⁴	14.1	13.2	-5.8	-13.6	2.6	-18.4	-3.5
Imports, GNFS ⁴	-2.6	-1.6	1.8	1.1	0.1	1.4	0.6
Net exports, contribution to growth	-2.6	-1.6	1.8	1.1	0.1	1.4	0.6
Memo items : GDP²	16/17	17/18	18/19e	19/20f	20/21f	19/20f	20/21f
South Asia excluding India	5.8	6.0	5.1	2.1	-0.7	-2.7	-5.4
India	8.3	7.0	6.1	4.2	-3.2	-0.8	-9.0
Pakistan (factor cost)	5.2	5.5	1.9	-2.6	-0.2	-5.0	-3.2
Bangladesh	7.3	7.9	8.2	1.6	1.0	-5.6	-6.3

Source : World Bank.

Sukhjit strategy in Post Covid Scenario :

The Board reviewed the progress of our response regularly. The fact that most of our production facilities had partially resumed operations during the Pandemic as per guidelines of Central Government and customer orders fulfilled, is a testament to the commitment and skill of our people as well as the effectiveness of the actions taken. In light of our learnings from the pandemic, as stated above, we are introducing a new principal risk in relation to disruptive forces, of which Covid-19 is a clear example. The onset of the Covid-19 pandemic in the final quarter of the financial year presented significant challenges for the business, its operations and employees.

2019 was an exceptional year for all of us, defined by solid performance on multiple fronts. It is our constant endeavor to keep learning how best to serve the changing needs of our esteemed customers. We take pride in being perceived as a safe pair of hands to protect the brands of our customers.

As specialists for last 75 years in this Industry, we leverage our rich experience and strong technical capabilities to help brands serve more convenience, deliver sustainable solutions, and keep pace with the rapid change in consumer demands. For us, quality is much more than what just goes around a product. It's about building brands, opening novel opportunities in new markets and protecting reputations as much as products.

In the midst of this transformation, our B2B customers are evolving their business personalities in endless combinations. Like every old economy manufacturing business, Sukhjit being no exception, is constantly exploring ways to act and operate differently from the past to sustain and survive. This ranges from new products, new business models, new ways of engaging customers, to highly simplified and prompt ways of getting work done. As we enter our fiscal year 2020, we continue to evolve with the new production facility of 600 TPD in Punjab.

We pride ourselves in being responsive to customer needs and requirements so far. Our experience in product manufacturing, supply chain management and overall efficiency has become relevant close to industry standards.

FY 20-21 Focus areas :

- Current Crisis management
- Workforce management
- Supply chain management
- Finance and liquidity
- Strategy for longer term sustainability
- Enhance shareholder's value



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Despite recent rapidly changing environments, our hard work and consistency will continue to shape the future of our end-user customer's preference and requirements.

For each of those ingredients, the kitchen shelf is nearly the end of a remarkable journey. These break the raw materials down into their constituent parts, creating high-quality ingredients with widely different applications each destined for our customers' products

This is about moving from being a valued ingredient supplier to a growth partner for our customers. To achieve this, both divisions need strong relationships at all levels of our customers' organizations.

Factors like rapid population growth, urbanization and the use of technology are driving major changes in people's diets and lifestyles. The growth of middle-class consumers, especially in emerging markets, is also causing a long-term shift towards greater convenience and time-saving products. People are buying more prepared, packaged foods, spending less time in the kitchen, and increasingly looking for nutritious food on the go. At the same time, consumers are demanding greater transparency and authenticity from their food, and more natural ingredients. Online shopping is increasingly popular, driving demand for sturdy packaging, while environmental concerns mean that this packaging needs to be recyclable. Concerns about climate change and the health of the planet are being matched by concerns about our own health and what we eat. In today's more urbanised world, people are leading more sedentary and less active ways of life. People are generally eating too much and moving too little, and these progressively unbalanced lifestyles are affecting their health. The incidence of diseases like obesity and diabetes, and concerns about digestive health, are increasing rapidly

Key trends in POST Covid scenario :

Healthy living: Along with daily Yoga and exercise to increase immunity, People of all ages are actively seeking healthier food and drink, whether this means prebiotic fibers to support a healthy gut, more calcium for strong bones, or fewer calories to manage weight.

Sugar reduction : With obesity and diabetes on the rise, people want lower-sugar, lower-calorie, lower-fat, higher-fiber foods. Many of our customers are setting sugar reduction targets, both to meet this demand and in light of increasing government regulation.

Online products : Recently, digital channels have become the primary channels, and in some instances, the only channels to communicate and work. Schools, colleges and even courts have shifted to an online only mode. Farmers' cooperatives are taking online orders and directly delivering fresh produce to city-dwellers. This is the transformation will last or the impact will last in a post Covid scenario also.

Clean label : People want to understand the ingredients on food and drink labels. They want to know where their food comes from, and are increasingly choosing products they feel are less processed, or they think are simpler or 'more natural'.

Convenience and healthy snacking : Convenience is often seen as coming at the expense of nutrition – but it doesn't have to. People want fast, on-the-go food and drink that's nutritious, healthy and tastes good.

Plant power : Consumers across the world are increasingly interested in plant-based diets and many are eating less meat and fewer dairy products as part of either a vegan or 'flexitarian' diet.

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. The situation for everyone is very fluid and uncertain, but it's in this environment that strong relationships with customers really tell. We are adapting what we do to ensure we can serve our customers in the best way possible. If anything, this situation has brought out the best in our people, not just in the way we're supporting each other in our own team, but how we're supporting our customers too.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Making the complex simpler: From the outset of the pandemic, our priority has been to keep our people safe, our operations running and to support our customers. The fact that we have managed to do all three so far shows the real resilience and commitment. Recent harvests have been strong, with corn inventory high and prices relatively low and stable. Better inventory management along with focus on balance sheet strength and debt reduction will be in focus till 2024.

Large-scale manufacturing operations : We are supported by a large-scale, cost-competitive asset base which we will use as a strategy. Scientific and technical know-how is an asset. We have a pool of talented people along with.

Drive productivity and efficiency : The more efficient our plants, the lower our costs of production. We have local programmes which ensure a relentless focus on safety, productivity and efficiency at every plant.

Optimize customer and product mix : Our Long-term relationships with customers ensures the right product mix and hence efficiency in medium term. With tight margins on our products, small changes can make a difference to the performance of our business.

Large customer based : We serve customers, large and small, in almost 21 states in India. We are moving from being an ingredient supplier to a growth partner for our customers.

Innovation and Commercial Development : We work closely with our customers through every stage of our innovation process to move ideas quickly from concept to commercial launch.

LARGE-SCALE MANUFACTURING OPERATIONS



TALENTED PEOPLE



STRONG BALANCE SHEET AND DISCIPLINED USE OF CAPITAL



LONG-TERM RELATIONSHIPS WITH STAKEHOLDERS





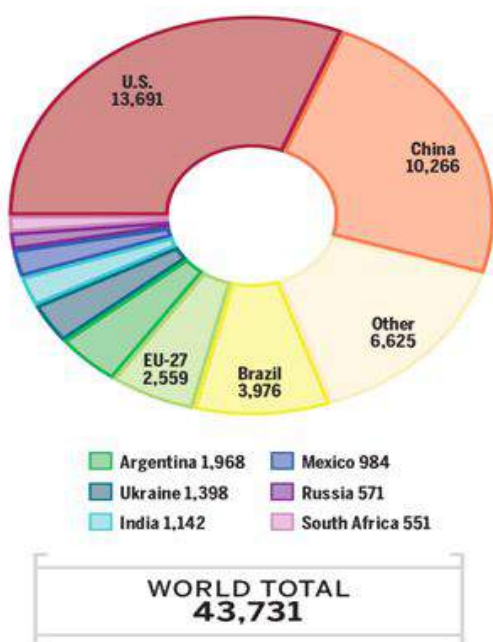
ANNEXURE 'A' TO THE DIRECTORS' REPORT

Multi location Operations: Our ingredients come from maize. The strategic location of our manufacturing facilities help us to save both on time and transportation cost. Wherever we are in the process, from field to customer, our priorities are safety, quality and consideration for the environment.

Raw Material Trends : As per US Agriculture report, India Ranks 7th in corn Production in 2019

World Corn Production 2019 - 2020*

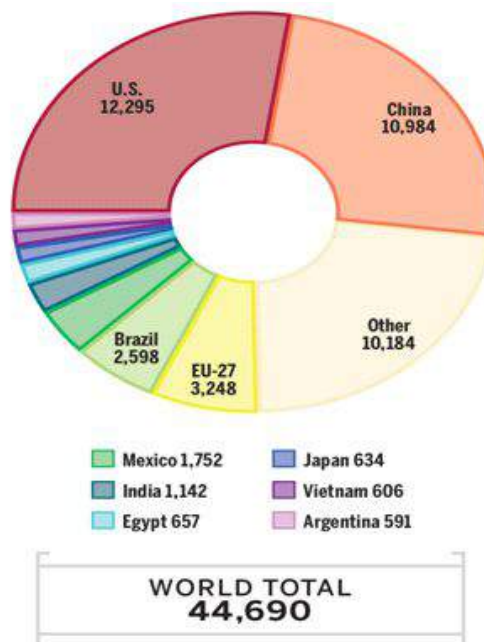
(million bushels)



Source : USDA, FAS Grain : World Markets and Trade, Jan. 2020
*Marketing Year Oct. 1, 2019 – Sept. 30, 2020

World Corn Consumption 2019 - 2020*

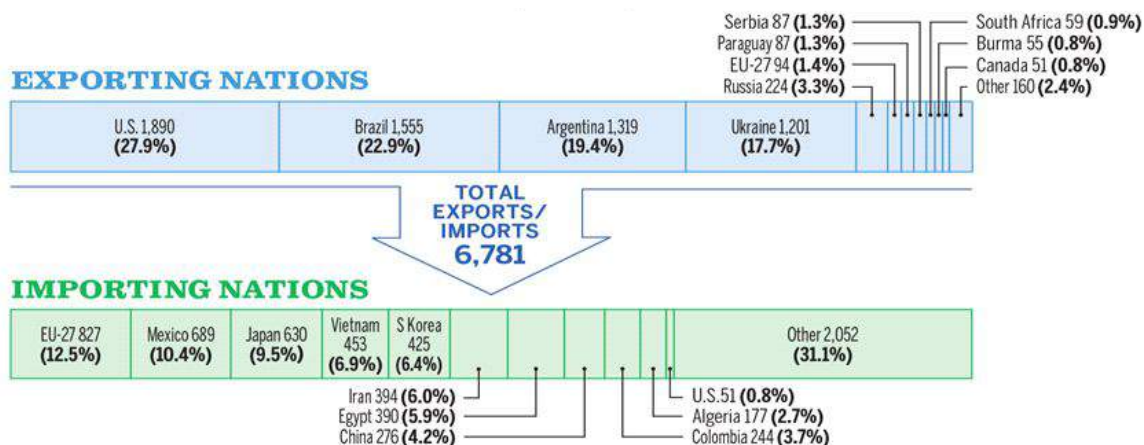
(million bushels)



Source : USDA, FAS Grain : World Markets and Trade, Jan. 2020
*Marketing Year Oct. 1, 2019 – Sept. 30, 2020

World Corn Exports/Imports 2019 - 2020*

(million bushels)



Source : USDA, FAS Grain : World Markets and Trade, Jan. 2020

*Marketing Year Oct. 1, 2019 – Sept. 30, 2020



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Opportunities

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

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

The Ministry of Food Processing Industries (MoFPI) has sanctioned 39 Mega Food Parks and 298 Integrated Cold Chain Projects throughout the country to fill in the gaps across the value chain and establishing the Cold Chain Grid. The MoFPI is focusing on building cold chain infrastructure across the country, for seamless transfer of perishables from production to consumption areas, through the Pradhan Mantri Kisan Sampada Yojana (PMKSY), which comprises of component schemes namely (i) Integrated Cold Chain and Value Addition Infrastructure, (ii) Mega Food Park, (iii) Creation of Backward & Forward Linkages, (iv) Creation/ Expansion of Food Processing and Preservation Capacities (v) Agro Processing Clusters and (vi) Operation Greens. These schemes aim at arresting post-harvest losses of horticulture and non-horticulture produce by encouraging the creation of cold storages/ primary processing and transportation facilities across the country.

India's food ecosystem offers huge opportunities for investments with stimulating growth in the food retail sector, favorable economic policies and attractive fiscal incentives. The Food & Grocery market in India is the sixth largest in the world. Food & Grocery retail market in India further constitutes almost 65% of the total retail market in India. The Government of India through the Ministry of Food Processing Industries (MoFPI) is also taking all necessary steps to boost investments in the food processing industry. By 2024, the Food Processing industry will potentially attract \$33 bn investments and generate employment for 9 million people. By 2030, Indian annual household consumption to treble, making India 5th largest consumer and *100% FDI is permitted under the automatic route in Food processing industries*. Food processing has an important role to play in linking Indian farmers to consumers in the domestic and international markets. The Ministry of Food Processing Industries (MoFPI) is making all efforts to encourage investments across the value chain.

The Food Processing Industry (FPI) is of enormous significance as it provides vital linkages and synergies that it promotes between the two pillars of the economy, i.e. agriculture and industry. In addition to the rich resources, India has the sixth-largest food and grocery market globally and the country can provide a perfect blend of traditional and hygienic food, processed and packaged according to modern technology.

The sector contributes around 11% of agricultural value-added and 9% of manufacturing value-added. According to the ministry of food processing industries annual report, the sector employs 12.8% of the workforce in the organised sector (factories registered under Factories Act, 1948), and 13.7% of the workforce in the unorganised sector. Despite being one of the largest producers of agricultural and food products in the world, India ranks fairly low in the global food processing value chains. In fact, as with the rest of India (most other sectors), this sector is also largely unorganised and informal.

Status of Food Processing In India

- India is the world's second largest producer of fruits & vegetables after China but hardly 2% of the produce is processed.
- In spite of a large production base, the level of processing is low (less than 10%). Approximately 2% of fruits and vegetables, 8% marine, 35% milk, 6% poultry are processed. Lack of adequate processable varieties continues to pose a significant challenge to this sector.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

- More than 75% of the industry is in unorganized sector.
- Processing can be delineated into primary and secondary processing. Rice, sugar, edible oil and flour mills are examples of primary processing. Secondary processing includes the processing of fruits and vegetables, dairy, bakery, chocolates and other items.
- Most processing in India can be classified as **primary processing**, which has lower value-addition compared to secondary processing. There is a need to move up the value chain in processed food products to boost farmer incomes. For instance, horticulture products, such as fruits and vegetables, carry the potential for higher value-addition when compared to cereal crops.
- At present, India's agricultural exports predominantly consist of raw materials, which are then processed in other countries, again indicating the space to move up the value chain.
- Food processing has numerous advantages which are specific to Indian context. It has capacity to lift millions out of poverty and malnutrition. Government should develop industry in a way keeping in mind the interests of small scale industry along with attracting big ticket domestic and foreign investments.

Problems in Food Processing Industries

It has been the endeavor of the Government to promote food processing industry in the country to reduce wastage of agricultural produce and minimize post-harvest losses. At present most of the industries are in unorganized sectors. So, number of problems are arising from different sections of the industries. Some of the basic problems encountered by Indian food industries at different levels are given below. Last year the food processing industry has urged the government to formulate a model National Food Processing Policy with the aim of increasing farmers' incomes and strengthening the value-addition ecosystem for agri-produce in the country.

Farm level problems

- Poor yield of farm produce and therefore low returns.
- Lack of material resources necessary for development.
- Primitive methods of farming.
- No control on the quality of inputs and lack of finance to manage.
- Vagaries of weather.
- Unavailability of reliable handling and transportation system.
- Lack of storage facilities at farm.

Distributors' problems

- Lack of modern transportation facilities and high cost
- Inadequate cold storage facilities
- Irregular quality and quantity of farm produce

Processing industries problem

- Financing
- Higher cost of raw material and packaging
- Inadequate transport and cold storage facilities
- Infrequent availability of refrigerated containers
- Staggering advertising costs
- Limited domestic market



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Consumer discontent

- Does not get value for money
- The price variation is a day to day affair
- Continued dependence on seasonal products
- Lack of variety of semi processed or prepared convenience food at affordable prices.

Reasons for slow growth of processed foods in India so far

- Majority of the population has low-income levels and cannot afford processed foods.
- The high cost of packaging pushes up the cost of the processed items and thereby makes them out of reach of the common man.
- Indians traditionally prefer fresh foods that are cooked rather than use preserved foods.
- There is also no national character for food habits and these keep changing from region to region. But the scenario is changing with some foods, especially fast food, acquiring the national character. Also some foods such as idli, dosa, some Punjabi foods like chhole, aalu mutter etc., some Chinese foods and now the western foods like burgers and pizza are fast gaining national popularity.
- Transport (both road and railways) and communication are poor and not upto the mark like developed countries to reach Tier 3 and Tier 4 Cities.
- There are no reliable cold chains, which are necessary for temperature sensitive foods like fruits & vegetables, ice creams etc.
- Modernization is unaffordable for small-scale manufacturer but the large companies do not find investment justifiable due to small size of the market.

How Sukhjit Mega Food Park will give much needed solution : We believe there is a need to move up the value chain in processed food products to boost farmer incomes. Our Mega food park is the solution and will set an example in the days to come. The upcoming food park is in completion phase and is expected to be commissioned by July 2020. It will promote the food processing industry by creating high quality processing infrastructure and will facilitate the creation of efficient supply chain and direct procurement from farmers, resulting in better realization to farmers.

Besides basic infrastructure such as roads, electricity, power, a mega food park boasts of various infrastructure facilities such as cold store, deep freezers, steam generating units, sorting, grading, cleaning yards, silos, dry storage facilities, captive power plant, water treatment plant and laboratories. These facilities will not only attract investment in the food processing sector but also benefit farmers of the state.

SUKHJIT MEGA FOOD PARK GOALS :

- **Reducing Food Wastage :** At present, India's agricultural exports predominantly consist of raw materials, which are then processed in other countries, again indicating the space to move up the value chain. Despite India being one of the largest producers of agricultural commodities in the world, Food processing provides an opportunity to utilise excess production efficiently. Not just from a growth perspective, food processing is also important from the point of reducing food waste. In fact, the United Nations estimates that 40% of production is wasted. Similarly, the NITI Aayog cited a study that estimated annual post-harvest losses of close to Rs 90,000 crore. With greater thrust on proper sorting and grading close to the farm gate, this wastage could also be reduced, leading to better price realization for farmers. Our world class processing, **storage capacities and infrastructure** will reduce wastage and hence economy of scale.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

- **Improving the Supply Chain** : Gaps in the supply chain are perhaps the biggest challenge faced by food process industry. Pre-processing losses occur due to lack of awareness and a dearth of storage and pack-house facilities close to the farm gate.
- **Full control on quality and safety** : The sheer number of players, especially in the large unorganized segment, involved in the food value-chain, makes implementation of quality and safety norms difficult. We will ensure this to make a long term journey successful.
- Our backward linkages to farmers will be made more robust. Sukhjit reputation, commitments and guidance and support to farmers at local levels will play a key role in the coming days.
- In house Research & development lab and **Centre of Excellence** team will ensure proper use of infrastructure facility: we will ensure world class training for all employees. **Skilling is required at two levels**. First at the farm gate in promoting agricultural best practices and in processing activities.
- **Curbing Food Inflation** : Processing increases the shelf life of the food thus keeping supplies in tune with the demand thereby controlling food-inflation. **For e.g. Frozen peas and vegetables are available throughout the year.**
- **Crop-diversification** : Food processing will require different types of inputs thus creating an incentive for the farmer to grow and diversify crops. We believe there will be a significant change in crop patterns and farmers will grow more maize and reduce dependability on water consuming paddy
- **Preserve the nutritive quality of food and prolongs the shelf life** by preventing them from spoilage due to microbes and other spoilage agents: **Enhances the quality and taste of food** thereby bringing more choices in food basket
- **Enhances consumer choices** : Today, food processing allows food from other parts of the world to be transported to our local market and vice versa.

Human Resources

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

Internal Control Systems and Adequacy

The Company has a robust internal control system, which ensures that all transactions are recorded satisfactorily and 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



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and contributing to building economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

Risk Factors

Government policies, mandates, and regulations specifically affecting the agricultural sector and related industries; regulatory policies or matters that affect a variety of businesses; and political instability could adversely affect the Company's operating results. Further, the national lockdown in March, 2020 and imposition of Curfew in some states due to outbreak of Covid-19 Pandemic has changed the overall economic activity resulting in serious disruption of business operations. Since the situation is evolving continuously and the uncertainty prevails, it may significantly impact the operations in the coming months including the level of capacity utilization, demand scenario, sales, prices of raw material & finished products etc.

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

The Company's operating results could be affected by changes in other governmental policies, mandates, and regulations including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labour conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, 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 processes, expanding the reach of its core model, and expanding its value-added product portfolio. Government policies, competition law, trade restrictions, food safety regulations, and other government regulations and mandates, can impact the Company's ability to execute this strategy successfully.

Cautionary Statement

The Management discussion and analysis report contains forward looking statements based upon the data available with the Company, assumptions with regard to economic conditions, the government policies etc. Particularly, the imposition of lockdown and curfew in some states due to outbreak of Covid-19 Pandemic has caused serious disruption of business operations across the country. The Company has taken necessary steps from time to time to contain the impact of pandemic following the statutory guidelines/advisories issued by the Central / State Governments. Owing to the uncertainty in the economic activity, post lifting the lockdown, the Company has carried out due assessment of the possible impact on its business results and its overall liquidity position. Since the situation is evolving continuously, the impact in future may be different from the estimates made on the date of approval of these results.

In spite of the Management's continues monitoring of the material changes due to the said Pandemic and taking necessary measures accordingly to address the situation, the Company cannot guarantee the accuracy of assumptions and performance of the Company in future. Therefore, the actual results, performance or achievements could thus differ materially from those projected in any such forward looking statement. The Company assumes no responsibility to publically amend, modify or revise any forward looking statement, on the basis of any subsequent development, information or event.



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CORPORATE GOVERNANCE REPORT

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

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY :

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

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

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

2. BOARD OF DIRECTORS :

The Composition of the Board and category of Directors as on March 31, 2020 are given hereunder :

Category	Name of Directors	No. of Shares held
Promoter/Executive Directors	Shri K.K. Sardana (Managing Director)	1319909
	Shri M.G. Sharma (Executive Director (Fin) & CFO)	120
Non-Executive Promoter Directors	Smt. Manjoo Sardana (Chairperson)	1484947
	Smt. Shalini Umesh Chablani	87514
Independent Directors	Shri V. P. Kapahi	2000
	Shri Ranbir Singh Seehra	Nil
	Smt. Ruby Agarwal	100
	Shri Vikas Uppal	Nil

As on 31st March, 2020, none of the Directors of the Company were related to each other, as per the provisions of The Companies Act, 2013.

During the Financial Year 2019-20, five Board meetings were held on 11/04/2019, 25/05/2019, 08/08/2019, 13/11/2019 and 21/01/2020.



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Familiarisation Programme for Independent Directors :-

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

http://sukhjitgroup.com/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
				Chairman	Member	
Smt. Manjoo Sardana	Non-Executive Chairperson	3	–	–	–	Y
Shri K.K. Sardana	Managing Director	5	2	–	2	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	5	1	2	–	Y
Shri V.P. Kapahi	Independent Director	4	–	–	–	Y
Shri Ranbir Singh Sheera	Independent Director	4	5	–	2	N
Smt. Ruby Agarwal	Independent Director	2	–	–	–	N
Shri Vikas Uppal	Independent Director	1	2	1	1	N
Smt. Shalini Umesh Chablani	Non Executive Director	1	1	–	1	N

The composition of the Board of Directors and the number of Directorships and the Committee positions held by them as on 31st March, 2020 are as under:

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2020 are as under :

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

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



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

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

Name of Director	Planning & Strategic Management	Financial Management	Business Leadership	Project Management	Corporate Governance & Compliance	Marketing & Sales	Administration & Human Resource Management	Technology and Innovations	Risk Management
Smt. Manjoo Sardana	✓	✓	✓		✓	✓			
Sh. K.K. Sardana	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. M.G. Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. V.P. Kapahi	✓	✓			✓		✓		✓
Sh. Ranbir Singh Seehra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Ruby Agarwal		✓	✓		✓	✓	✓	✓	
Sh. Vikas Uppal	✓	✓	✓	✓		✓	✓	✓	✓
Smt. Shalini Umesh Chablani		✓	✓			✓	✓	✓	

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

3. COMMITTEES OF THE BOARD

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

(i) Audit Committee :

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



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& 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 Ranbir Singh Seehra	Independent Director (as member)
Shri Ruby Agarwal	Independent Director (as member)
Shri M.G. Sharma	Executive Director (Fin.) & C.F.O. (as member)

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

		Meetings held during the year	Meetings attended
Shri V.P. Kapahi	Independent Director	04	03
Shri Ranbir Singh Seehra	Independent Director	04	03
Shri Ruby Agarwal	Independent Director	04	02
Shri M.G. Sharma	Executive Director (Fin.) & C.F.O.	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 V.P. Kapahi and Smt. Ruby Agarwal as members. The Committee has been formed to assist the Board in discharging its social responsibilities by way of formulating and monitoring the implementation of the CSR Policy of the Company and recommending / budgeting the amount of expenditure to be incurred on CSR activities with due control over the expenditure to meet the intended objectives. The Committee also approves the Corporate Sustainability report and oversee the CSR activities.

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

		Meetings held during the year	Meetings attended
Shri K.K. Sardana	Managing Director	05	05
Shri V.P. Kapahi	Independent Director	05	04
Shri Ruby Agarwal	Independent Director	05	03

(iii) Stake Holders' Relationship/Grievance Committee :

The Stake Holders' relationship /grievance committee comprises of Shri V. P. Kapahi as Chairman, Shri K.K. Sardana & Smt. Ruby Agarwal 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, review the measures taken for effective exercise of voting rights by shareholders, review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.



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

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

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

		Meetings held during the year	Meetings attended
Shri V.P. Kapahi	Independent Director	04	03
Shri K.K. Sardana	Managing Director	04	04
Shri Ruby Agarwal	Independent Director	04	02

(iv) Nomination & Remuneration Committee :

The Board has constituted a Nomination & Remuneration Committee comprising of Shri V.P. Kapahi as the Chairman, Shri Ranbir Singh Seehra and Smt. Ruby Agarwal as the members. The role of the Committee covers the areas mentioned under section 178 of the Companies Act, 2013 and Regulations 19 of the SEBI(LODR), 2015 read with Part D of Schedule II of the regulations.

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

		Meetings held during the year	Meetings attended
Shri V.P. Kapahi	Independent Director	04	03
Shri Ranbir Singh Seehra	Independent Director	04	04
Shri Ruby Agarwal	Independent Director	04	01

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

Name	Salary	Commission	Perquisite Value	Retirement Benefits	(Amount in ₹ Lacs)	
					Sitting Fees	Total
Sh. I.K. Sardana	6.73	-	4.69	0.54	-	11.96
Sh. K.K. Sardana	75.34	13.30	11.36	6.56	-	106.56
Sh. M.G. Sharma	37.60	-	1.42	2.37	-	41.39

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

Remuneration Policy :

The remuneration policy is aimed to motivate and reward the performance of the employees based on the periodical appraisal / achievements of the personnel. It follows the practices prevailing in the companies of



ANNEXURE 'B' TO THE DIRECTORS' REPORT

its size and the industry in general to retain and attract talent and improve the quality of human capital and better the performance of its employees, with a view to run the Company' s operations efficiently, effectively and profitably.

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
08/08/2019	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Appointment of Shri K.K. Sardana as the Managing Director of the Company. 2. Reappointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 3. Appointment of Smt. Manjoo Sardana as Non-Executive Director. 4. Appointment of Sh. Ranbir Singh Seehra & Smt. Ruby Agarwal as Non Executive Independent Directors. 5. Resolution for approval of the shareholders u/s 180(1)(a). 6. To ratify Remuneration of Cost Auditors.
08/08/2018	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri I.K. Sardana as the Managing Director of the Co. for five years. 2. To ratify Remuneration of Cost Auditors.
27/07/2017	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri S.C. Jindal, Sh. Shiv Kumar Anand & Sh. V.P. Kapahi as Non Executive Independent Directors. 2. Appointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 3. To ratify Remuneration of Cost Auditors.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 13th August, 2020.



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

5. DISCLOSURES

- (i) Disclosures on materially significant related party transactions :

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

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

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

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

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

6. MEANS OF COMMUNICATION :

The Company's Quarterly results are published in the daily news papers as per the requirement of listing agreement and are also displayed on the website of the company (www.sukhjitgroup.com). 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. for discussing & communicating the business philosophy of the company, sharing the latest developments and addressing their queries & questions for better understanding of the Company's operations.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

7. GENERAL SHAREHOLDERS INFORMATION

- | | | |
|---|---|---|
| (a) Annual General Meeting
Date, Time & Place | : | 13th August, 2020 at 10.00 A.M. in the
Blood Bank Bhawan, 1st Floor Hall,
Guru Hargobind Nagar, Phagwara. |
| (b) Financial Year | : | 2019–2020 |
| (c) Date of Book Closure | : | 8th August, 2020 to 13th August, 2020 |
| (d) Listing on Stock Exchange | : | Bombay Stock Exchange |
| (e) Stock Code | : | 524542 (Listing fee as applicable has been paid) |
| (f) CIN | : | L15321 PB1944 PLC 001925 |
| (g) Registrars & Share Transfer Agents | : | The Share Transfers are done by M/s. Skyline
Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla
Industrial Area, Phase-1, New Delhi - 110020
Phone No. (011) 26812682
E-mail ID : admin@skylinerta.com |
| (h) Dematerialization of Shares | : | The Company's Equity Shares are held in
dematerialized form on NSDL & CDSL. 140,61,998
shares i.e. 95.27% of equity capital have been
dematerialized as on 31.03.2020 which include
94,10,775 shares held by promoters' (100% in
Demat form) and 46,51,223 shares held by public
(89.22% held in Demat form). |
| (i) Outstanding GDRs/ADRs/Warrants
or any convertible instruments, conversion
data and likely impact on equity. | : | The company has not issued any GDRs/ADRs/
warrants or any convertible instruments
during the year under reference. |



ANNEXURE 'B' TO THE DIRECTORS' REPORT

- (j) 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	500	1,28,244
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2020	500	1,28,244

The voting rights on the shares outstanding in the suspense account as on 31st March, 2020 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

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

- (l) Distribution of Shareholding as on 31.3.2020 :

Category	No. of Shares	Percentage
1. Promoters (including 9,75,890 shares of NRI's)	94,10,775	63.76%
2. Corporate Bodies	2,84,866	1.93%
3. NRIs/FFIs/OCBs	2,58,876	1.75%
4. General Public	48,05,123	32.56%
Total No. of shares	<u>1,47,59,640</u>	<u>100.00%</u>

- (m) Share Transfer System :

95.27% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with our RTA or at the registered office of the company. Transfer of shares in physical form is normally processed within ten to twelve working days from the date of receipt, if the documents are complete in all respects. The Share transfer committee,



ANNEXURE 'B' TO THE DIRECTORS' REPORT

periodically approves the transfers, under the authority of the board, which are noted by the board at its subsequent meetings.

- (n) Commodity price risk or foreign exchange risk and hedging activities if any have been discussed under "Management Discussion and Analysis Report" forming part of the Directors' Report.
- (o) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2019-2020 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2019	39487.45	38460.25	267.55	231.85
May, 2019	40124.96	36956.00	258.00	207.00
June, 2019	40312.07	38870.93	247.90	223.05
July, 2019	40032.41	37128.26	238.00	197.00
Aug., 2019	37807.55	36102.35	218.60	168.80
Sept., 2019	39441.12	35987.80	213.10	178.00
Oct., 2019	40392.22	37415.83	306.90	183.10
Nov., 2019	41163.79	40014.23	201.85	181.10
Dec., 2019	41809.96	40135.37	198.00	178.00
Jan., 2020	42273.87	40476.55	213.95	185.25
Feb., 2020	41709.30	38219.97	205.50	175.55
March, 2020	39083.17	25638.90	186.00	120.00

8. LOCATION OF PLANTS

- (i) The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (PB.)
Phone No. (01824) 468800, 260314
Fax No. : (01824) 261669
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com
- (ii) Sukhjit Corn Products
Rehana Jattan, Teh. Phagwara (Pb.)
Phone No. (01824) 468800
Fax No. : (01824) 261669
Email : scp@sukhjitgroup.com
- (iii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (Telangana)
Phone No. (08462) 237568, 237521
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com
- (iv) Sukhjit Starch Industries
WBIIIDC Growth Centre,
N.H. 34, Narayanpur, MALDA (W.B.)
Phone No. (03512) 263027, 263029
Fax No. (03512) 263026
E-mail : sukhjitmalda@gmail.com
- (v) The Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. 9816649399
E-mail : sukhjitagro@gmail.com



ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20 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 2019-20 (Rs. In Lacs)	% increase (% decrease) in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation			
1.	Manjoo Sardana (Chairperson)	3.23	–	1.48
2.	K.K. Sardana (Managing Director)	106.56	(18.91)	48.79
3.	V.P. Kapahi (Non-Executive Director)	4.79	–	2.20
4.	Ranbir Singh Seehra (Non-Executive Director)	4.79	–	2.20
5.	Ruby Agarwal (Non-Executive Women Director)	4.61	–	2.11
6.	Vikas Uppal (Non-Executive Director)	1.19	–	0.55
7.	Shalini Umesh Chablani (Non-Executive Women Director)	1.19	–	0.55
8.	M.G. Sharma (Executive Director (Fin.) & C.F.O.)	41.39	(14.86)	18.95
9.	Aman Setia (V.P. (Fin.) & Company Secretary)	32.48	6.23	N.A.

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

- (iii) There were 1178 permanent employees on the rolls of Company as on March 31, 2020.
- (iv) The average increase in remuneration of employees/ workers had been well in line with the Company's performance.
- (v) Total remuneration of the key Management Personnel (Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has decreased by 14.33% i.e. from ₹ 210.62 lacs to ₹ 180.44 lacs in the financial year 2019-20.



ANNEXURE 'C' TO THE DIRECTORS' REPORT

- (vi) (a) The market capitalization of the company as on March 31, 2020 was ₹ 196.75 crores as compared to ₹ 378.22 crores at the end of the preceding financial year.
- (b) Price Earning Ratio of the company as on 31/03/2020 was 5.87 times as compared to 9.07 times as on 31/03/2019.
- (c) Percentage increase in the market price of shares in comparison with the last public offer price (₹ 10 in year 1983-84) is 15900, taking into effect the bonus shares issued by the company from time to time.
- (vii) The percentage increase in the median remuneration of employees had been 4.60% during the financial year 2019-20 against 14.33% decrease in the total remuneration of the key Management Personnel (Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) due to renunciation of increments by them as per the performance of the Company owing to economic slowdown and outbreak of COVID-19, in the last quarter of the year.
- (vii) Average percentage increase made in the salaries of employees/workers other than the managerial personnel in last financial year i.e. 2018-19 was 9.41% whereas the increase in the managerial remuneration was around 15.70% in accordance with increased operations of the company.
- (xi) 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 gets paid according to the profits of the Company.
- (x) 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.
- (xi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



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

S.No.	Name of Employer	Position Held	Gross Remmuneration	Educational Qualification	Experi-ence	Date of Joining	Name of Previous Employer & Designation
1	Sh. Dhiraj Sardana	Sr. V.P & C.E.O (New Project)	67,84,866	BBA & Diploma in Marketing	23	01/05/2005	Scott Industries Ltd. - Vice President
2	Sh. Bhavdeep Sardana	Sr. V.P & C.E.O (H.P Unit)	60,16,923	B.Sc. (Hons.) Chemistry & MBA	23	01/01/2005	Scott Industries Ltd. - Vice President
3	Sh. Pankaj Sardana	Sr. V.P Operations (Nizamabad Unit)	65,94,245	BBE (Hons.) & M.Sc. (Hons.)	19	01/08/2012	Scott Industries Ltd. - Vice President
4	Sh. Puneet Sardana	Sr. V.P Operations (Malda Unit)	57,09,905	BA (Hons.)	20	01/08/2012	Scott Industries Ltd. - Vice President
5	Sh. S.D. Patel	Group Sr. V.P. & C.T.O.	55,81,391	BSE (Hons.)	58	01/01/2002	Santosh Starch Products Ltd. -Vice President
6	Sh. V.K. Suri	Group Sr. V.P. (A & P)	50,78,549	MA, LLB	58	06/01/1986	Indian Army -Major
7	Sh. Rakesh Chawla	V.P. (H.P. Unit)	44,11,146	C.A.	26	25/03/1997	Surya Knitwear Limited - Financial Controller
8	Sh. Aman Setia	V.P. (Finance) & Company Secretary	32,48,582	C.A., C.S., D.B.A.	19	01/04/2010	Scott Industries Ltd. - Finance Controller & Company Secretary
9	Sh. M.V. Ram Gopal	V.P. (Production)	31,96,137	BE (Chemical Technology)	31	20/12/1993	Laxmi Starch Ltd. - Process Engineer
10	Sh. Rajeev Dua	V.P. (Nizamabad Unit)	24,36,853	C.A.	28	16/02/2002	HTM Ispat Ltd. AGM Finance



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 to the public at large and to engage the Corporate World with the country's development agenda. The Corporate Social responsibility (CSR) is a planned set of activities of the Company aiming to actively contribute to the social and economic development of the communities in which it operates. It endeavours 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, eradicating hunger, preventive health care, caring old age homes / orphanages, women empowerment and initiatives for physically & mentally challenged people etc.

The Corporate Social Responsibility (CSR) policy of the company, as approved by the Board of Directors, is available on the company's website http://sukhjitgroup.com/csr_policy.html.

A brief overview of Company's CSR projects:

During the year under review, the Company has undertaken many initiatives in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. A brief overview of the CSR projects is as under:-

A. Promoting Education :

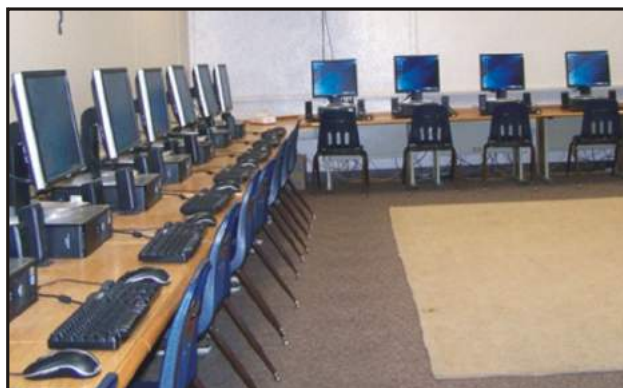
In education, the company aspires to improve and facilitate the literacy levels in various sections of the society by not only limiting to developing infrastructure for educational centers but also conducting educational programmes and livelihood enhancement projects.

The company also undertakes various projects from time to time like modernizing infrastructural facilities at college(s) / school(s), helping set up libraries, science laboratories and computer labs etc. to promote quality education among the students belonging to economically weaker sections of the society.

The Company has promoted the establishment of various educational Institutions which, under its patronage have been running successfully like a Post Graduate College for women with latest and "state of the art" Infrastructural facilities with all concessions to the needy and poor girl students. Seven other educational institutions including one B.Ed. college for women and six higher secondary schools are imparting quality education to students with due concessions to all the students mainly from economically backward and rural areas.



ANNEXURE 'D' TO THE DIRECTORS' REPORT



Computer Room in Girls College

- B. Improving Health & well-being :** With growing population, healthcare and hygiene have become central to India's development agenda. The objective of the company is to make affordable healthcare facilities available to communities around it by forging strategic partnerships with organizations having expertise in the requisite areas. Hence, the company has joined hands with many organizations to promote health & well-being of needy and poor people and some of which include :-
- A Blood donor council which, besides, organizing blood donation awareness camps, donates free blood to number of Thalassemia patients on a regular basis and at a concessional cost to the others with timely availability to meet the emergent needs.
 - Bi-monthly free dental care camps through team of expert doctors from a renowned medical college with supplies of free dentures to the old and needy people.
 - Free eye care and operation camps for the needy and poor patients of the area on a regular basis.
 - Cancer awareness camps organized periodically, to create necessary awareness, early detection and control of cancer.
 - Generous financial contribution and management assistance to Help Age International Charitable Trust (Regd.), which serves over 125 residential inmates providing all the medical care to the old orphans, handicapped and blind persons.



Organisation of Health Care and Dental Care Camps for Needy & Poor Patients



ANNEXURE 'D' TO THE DIRECTORS' REPORT

C. Other activities :

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



**Plants Distribution for
Environment Sustainability**



**Distribution of Ration to Poor & Needy
amid COVID-19 Pandemic**

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, Smt. Ruby Agarwal and ShriVikasUppalas 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.

Details of CSR Expenditure:

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

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2018-19	6503.61
2017-18	3314.42
2016-17	2731.51
Average net Profits	4183.18
2% of above	83.66

Prescribed CSR expenditure = 83.66 lacs

Actual CSR expenditure = 84.08 lacs



ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

(in ₹ Lacs)

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	- Preventive Health Care - Provision for food to poor & needy people	(Cl. i of Sch. VII) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Phagwara (Pb.), Ludhiana (Pb.)	30.00	30.32	30.32	Direct & through implementing agency
2.	- Education	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.)	34.00	33.72	33.72	Direct & Through Implementing agency
3.	Old age homes and homes for orphans and others	(Cl. iii of Sch. VII) Promoting gender equality, empowering women, setting up of homes and hostels for women & orphans, Setting up old age homes and environmental sustainability etc.	Jalandhar (Pb.), Phagwara (Pb.)	20.00	20.04	20.04	Direct & Through Implementing agency
		TOTAL		84.00	84.08	84.08	

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/-
(Ruby Agrawal)
Member
CSR Committee

Sd/-
(Vikas Uppal)
Member
CSR Committee



ANNEXURE 'E' TO THE DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2020

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	83,97,298	-	83,97,298	56.89	84,25,711	-	84,25,711	57.09	28,413	0.19
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	9,174	-	9,174	0.06	9,174	-	9,174	0.06	-	-
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	84,06,472	-	84,06,472	56.96	84,34,885	-	84,34,885	57.15	28,413	0.19
(2) Foreign										
a) NRI- Individuals	9,12,890	-	9,12,890	6.19	9,75,890	-	9,75,890	6.61	63,000	0.43
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	9,12,890	-	9,12,890	6.19	9,75,890	-	9,75,890	6.61	63,000	0.43
Total Shareholding of Promoter										
(A)=(A)(1)+(A)(2)	93,19,362	-	93,19,362	63.14	94,10,775	-	94,10,775	63.76	91,413	0.62
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	-	-	-	-	55	-	55	-	55	-
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)	4,200	-	4,200	0.03	2,100	-	2,100	0.01	(2,100)	(0.01)
SUB TOTAL (B)(1):	4,200	-	4,200	0.03	2,155	-	2,155	0.01	(2,045)	(0)
(2) Non Institutions										
a) Bodies corporates										
i) Indian	287,510	144	287,654	1.95	284,722	144	284,866	1.93	(2,788)	(0.02)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	19,88,402	6,29,834	26,18,236	17.74	20,53,925	5,51,030	26,04,955	17.65	(13,281)	(0.09)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	17,59,724	1,98,512	19,58,236	13.27	16,22,074	1,40,282	17,62,356	11.94	(1,95,880)	(1.33)
c) Others (specify)	5,70,832	1,120	5,71,952	3.88	6,88,347	6,186	6,94,533	4.71	122,581	0.83
SUB TOTAL (B)(2):	46,06,468	8,29,610	54,36,078	36.83	46,49,068	6,97,642	53,46,710	36.23	(89,368)	(0.61)
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	46,10,668	8,29,610	54,40,278	36.86	46,51,223	6,97,642	53,48,865	36.24	(91,413)	(0.62)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	1,39,30,030	8,29,610	1,47,59,640	100	1,40,61,998	6,97,642	1,47,59,640	100	-	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% 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	600	0.00	0	600	0.00	0	0.00
2	NIKHIL SARDANA	4800	0.03	0	4800	0.03	0	0.00
3	KABIR SARDANA	4800	0.03	0	4800	0.03	0	0.00
4	NIDHI SARDANA	5872	0.04	0	8197	0.06	0	0.02
5	VEER PRATAP SARDANA	6720	0.05	0	6720	0.05	0	0.00
6	DIVYA SARDANA	7156	0.05	0	7981	0.05	0	0.01
7	UDAY PRATAP SARDANA	9080	0.06	0	9080	0.06	0	0.00
8	DIPIKA SARDANA	11000	0.07	0	11000	0.07	0	0.00
9	SONA SARDANA	12938	0.09	0	12938	0.09	0	0.00
10	DIPTI SARDANA	13482	0.09	0	15582	0.11	0	0.01
11	RADHIKA MONGIA	44200	0.30	0	44200	0.30	0	0.00
12	SONIA MONGIA	44832	0.30	0	44832	0.30	0	0.00
13	PADMINI MONGIA	45952	0.31	0	45952	0.31	0	0.00
14	NANDINI OBEROI	47012	0.32	0	47012	0.32	0	0.00
15	VERINDER KUMAR SARDANA	64184	0.43	0	64184	0.43	0	0.00
16	PRABHA GROVER	85664	0.58	0	85664	0.58	0	0.00
17	ASHOK SARDANA	85800	0.58	0	85800	0.58	0	0.00
18	SHALINI CHABLANI	87514	0.59	0	87514	0.59	0	0.00
19	NALINI KALRA	88422	0.60	0	88422	0.60	0	0.00
20	NAVIN SARDANA	91972	0.62	0	96172	0.65	0	0.03
21	SURENDRA NATH GADI	94216	0.64	0	94216	0.64	0	0.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

22	MEENAXI GADI	241376	1.64	0	241376	1.64	0	0.00
23	NANDINI KAUSHIK	244172	1.65	0	218372	1.48	0	-0.17
24	INDER KRISHAN SARDANA (HUF)	255860	1.73	0	268731	1.82	0	0.09
25	SUMAN SARDANA	271588	1.84	0	271588	1.84	0	0.00
26	KULDIP KRISHAN SARDANA (HUF)	284766	1.93	0	286968	1.94	0	0.01
27	MANJOO SARDANA	339000	2.30	0	1484947	10.06	0	7.76
28	PUNEET SARDANA	860316	5.83	0	863816	5.85	0	0.02
29	BHAVDEEP SARDANA	862282	5.84	0	865782	5.87	0	0.02
30	PANKAJ SARDANA	863694	5.85	0	867194	5.88	0	0.02
31	DHIRAJ SARDANA	867662	5.88	0	871362	5.90	0	0.03
32	INDER KRISHAN SARDANA	1166466	7.90	0	0	0.00	0	-7.90
33	KULDIP KRISHAN SARDANA	1283900	8.70	0	1319909	8.94	0	0.24
		8397298	56.89		8425711	57.09	0	0.19
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	9174	0.06	0	9174	0.06	0	0.00
		9174	0.06	0	9174	0.06	0	0.00
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	171792	1.16	0	171792	1.16	0	0.00
2	ROHINI SARDANA	71096	0.48	0	121096	0.82	0	0.34
3	RAVI CHOWDHRY	584362	3.96	0	597362	4.05	0	0.09
4	RATI LOHTIA	43136	0.29	0	43136	0.29	0	0.00
5	RITU LOHTIA	42504	0.29	0	42504	0.29	0	0.00
		912890	6.19	0	975890	6.61	0	0.43
	Total	9319362	63.14		9410775	63.76	0	0.62



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 (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Kuldip Krishan Sardana	1283900	8.70	01.04.2019				
				03.05.2019	3750	Transfer	1287650	8.72
				26.07.2019	15200	Transfer	1302850	8.83
				09.08.2019	2198	Transfer	1305048	8.84
				30.08.2019	3800	Transfer	1308848	8.87
				04.10.2019	2000	Transfer	1310848	8.88
				31.12.2019	1000	Transfer	1311848	8.89
				03.01.2020	1000	Transfer	1312848	8.89
				06.03.2020	4000	Transfer	1316848	8.92
				13.03.2020	300	Transfer	1317148	8.92
				20.03.2020	2326	Transfer	1319474	8.94
				27.03.2020	435	Transfer	1319909	8.94
		1319909	8.94	31.03.2020			1319909	8.94
2	Inder Krishan Sardana	1166466	7.90	01.04.2019				
				26.04.2019	3750	Transfer	1170216	7.92
				29.05.2019	-1170216	Transmission	–	–
		–	–	31.03.2020			–	–
3	Dhiraj Sardana	867662	5.88	01.04.2019				
				31.05.2019	3500	Transfer	871162	5.90
				09.08.2019	200	Transfer	871362	5.90
		871362	5.90	31.03.2020			871362	5.90
4	Pankaj Sardana	863694	5.85	01.04.2019				
				31.05.2019	3500	Transfer	867194	5.88
		867194	5.88	31.03.2020			867194	5.88
5	Bhavdeep Sardana	862282	5.84	01.04.2019				
				31.05.2019	3500	Transfer	865782	5.87
		865782	5.87	31.05.2020			865782	5.87
6	Puneet Sardana	860316	5.83	01.04.2019				
				31.05.2019	3500	Transfer	863816	5.85
		863816	5.85	31.03.2020			863816	5.85



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 (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
7	Manjoo Sardana	339000	2.30	01.04.2019				
				05.04.2019	3750	Transfer	342750	2.32
				31.05.2019	1170216	Transfer	1512966	10.25
				26.07.2019	15200	Transfer	1528166	10.35
				09.08.2019	-49000	Transfer	1479166	10.02
				30.08.2019	4000	Transfer	1483166	10.05
				04.10.2019	1781	Transfer	1484947	10.06
		1484947	10.06	31.03.2020			1484947	10.06
8	Kuldip Krishan Sardana	284766	1.93	01.04.2019				
	(HUF)			31.01.2020	800	Transfer	285566	1.93
				07.02.2020	1200	Transfer	286766	1.94
				14.02.2020	202	Transfer	286968	1.94
		286968	1.94	31.03.2020			286968	1.94
9	Inder Krishan Sardana (HUF)	255860	1.73	01.04.2019				
				20.12.2019	1000	Transfer	256860	1.74
				31.12.2019	1000	Transfer	257860	1.75
				03.01.2020	1000	Transfer	258860	1.75
				07.02.2020	1500	Transfer	260360	1.76
				14.02.2020	150	Transfer	260510	1.77
				06.03.2020	4000	Transfer	264510	1.79
				13.03.2020	368	Transfer	264878	1.79
				20.03.2020	3553	Transfer	268431	1.82
				27.03.2020	300	Transfer	268731	1.82
		268731	1.82	31.03.2020			268731	1.82
10	Nandini Kaushik	244172	1.65	01.04.2019				
				05.07.2019	4200	Transfer	248372	1.68
				19.07.2019	-30000	Transfer	218372	1.48
		218372	1.48	31.03.2020			218372	1.48
11	Navin Sardana	91972	0.62	01.04.2019				
				05.07.2019	4200	Transfer	96172	0.65
		96172	0.65	31.03.2020			96172	0.65



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 (01.04.2019) / End of year (31.03.2020)		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
12	Nalini Kalra	88422	0.60	01.04.2019				
				31.08.2019	-41938	Transfer	46484	0.31
				06.09.2019	41938	Transfer	88422	0.60
		88422	0.60	31.03.2020			88422	0.60
13	Shalini Chablani	87514	0.59	01.04.2019				
				31.08.2019	-65034	Transfer	22480	0.15
				06.09.2019	65034	Transfer	87514	0.59
		87514	0.59	31.03.2020			87514	0.59
14	Divya Sardana	7156	0.05	01.04.2019				
				05.04.2019	825	Transfer	7981	0.05
		7981	0.05	31.03.2020			7981	0.05
15	Nidhi Sardana	5872	0.04	01.04.2019				
				05.04.2019	15200	Transfer	21072	0.14
				26.07.2019	825	Transfer	21897	0.14
		21897	0.14	31.03.2020			21897	0.14
16	Dipti Sardana	13482	0.09	01.04.2019				
				20.03.2020	2100	Transfer	15582	0.11
		15582	0.11	31.03.2020			15582	0.11
17	Rohini Sardana	71096	0.48	01.04.2019				
				09.08.2019	50000	Transfer	121096	0.82
		121096	0.82	31.03.2020			121096	0.82
18	Ravi Chowdhry	584362	3.96	01.04.2019				
				05.04.2019	5000	Transfer	589362	3.99
				03.05.2019	4500	Transfer	593862	4.02
				17.05.2019	3500	Transfer	597362	4.05
		597362	4.05	31.03.2020			597362	4.05



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 (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sudhir Sindhvani	225040	1.52	01.04.2019				
						No Change		
		225040	1.52	31.03.2020			225040	1.52
2	Satish Chandra Jindal HUF	100800	0.68	01.04.2019				
						No Change		
		100800	0.68	31.03.2020			100800	0.68
3	Manoj Kumar Agarwal	86868	0.59	01.04.2019				
						No Change		
		86868	0.59	31.03.2020			86868	0.59
4	Wallfort Financial Service Ltd.	64000	0.43	01.04.2019				
				05.04.2019	20000	Transfer	84000	0.57
				13.09.2019	8052	Transfer	92052	0.62
				20.09.2019	1948	Transfer	94000	0.64
				15.11.2019	-3174	Transfer	90826	0.62
				22.11.2019	-6826	Transfer	84000	0.57
		84000	0.57	31.03.2019			84000	0.57
5	Anuradha Agarwal	75600	0.51	01.04.2019				
				13.09.2019	-1000	Transfer	74600	0.51
				27.09.2019	1417	Transfer	76017	0.52
		76017	0.52	31.03.2020			76017	0.52
6	Ajay Chandra Agarwal	74200	0.50	01.04.2019				
						No Change		
		74200	0.50	31.03.2020			74200	0.50
7	Satish Chandra Jindal	70440	0.48	01.04.2019				
						No Change		
		70440	0.48	31.03.2020			70440	0.48
8	Verinder Kumar Sardana	64184	0.43	01.04.2019				
						No Change		
		64184	0.43	31.03.2020			64184	0.43
9	Sangeetha S	0	0	08.11.2019	52450	Transfer	52450	0.36
				15.11.2019	2498	Transfer	54948	0.37
				22.11.2019	1319	Transfer	56267	0.38
				29.11.2019	2163	Transfer	58430	0.40
				27.12.2019	140	Transfer	58570	0.40
				17.01.2020	990	Transfer	59560	0.40
				24.01.2020	440	Transfer	60000	0.41
				31.03.2020	1900	Transfer	61900	0.42
		61900	0.42	31.03.2020			61900	0.42
10	Seetha Kumari	53448	0.36	01.04.2019				
						No Change		
		53448	0.36	31.03.2020			53448	0.36



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 (01.04.2019) /End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Manjoo Sardana (Non-Executive Chairperson)	339000	2.30	01.04.2019				
				05.04.2019	3750	Transfer	342750	2.32
				31.05.2019	1170216	Transfer	1512966	10.25
				26.07.2019	15200	Transfer	1528166	10.35
				09.08.2019	-49000	Transfer	1479166	10.02
				30.08.2019	4000	Transfer	1483166	10.05
				04.10.2019	1781	Transfer	1484947	10.06
		1484947	10.06	31.03.2020			1484947	10.06
2	Kuldip Krishan Sardana (Managing Director)	1283900	8.70	01.04.2019				
				03.05.2019	3750	Transfer	1287650	8.72
				26.07.2019	15200	Transfer	1302850	8.83
				09.08.2019	2198	Transfer	1305048	8.84
				30.08.2019	3800	Transfer	1308848	8.87
				04.10.2019	2000	Transfer	1310848	8.88
				31.12.2019	1000	Transfer	1311848	8.89
				03.01.2020	1000	Transfer	1312848	8.89
				06.03.2020	4000	Transfer	1316848	8.92
				13.03.2020	300	Transfer	1317148	8.92
				20.03.2020	2326	Transfer	1319474	8.94
				27.03.2020	435	Transfer	1319909	8.94
		1319909	8.94	31.03.2020			1319909	8.94
3	V.P. Kapahi (Independent Director)	2000	0.01	01.04.2019				
						No Change		
		2000	0.01	31.03.2020			2000	0.01
4	Ranbir Singh Seehra (Independent Director)	-	-	01.04.2019				
						No Change		
		-	-	31.03.2020			-	-
5	Ruby Agarwal (Independent Director)	100	0.00	01.04.2019				
						No Change		
		100	0.00	31.03.2020			100	0.00
6	Vikas Uppal (Independent Director)	-	-	01.04.2019				
						No Change		
		-	-	31.03.2020			-	-
7	Shalini Umesh Chablani (Non- Executive Director)	87,514	0.59	01.04.2019				
						No Change		
		87,514	0.59	31.03.2020			87,514	0.59
8	M G Sharma (Executive Director (Fin) & CFO)	120	0.00	01.04.2019				
						No Change		
		120	0.00	31.03.2020			120	0.00
9	Aman Setia (Vice President Finance & Company Secretary)	-	-	01.04.2019				
						No Change		
		0	-	31.03.2020			0	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

IX. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	7,203.66	2,500.00	5,430.30	15,133.96
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	353.18	353.18
Total (i+ii+iii)	7,203.66	2,500.00	5,783.48	15,487.14
Change in Indebtedness during the financial year				
Additions	14,619.67	-	469.20	15,088.87
Reduction	-	(2,500.00)	-	(2,500.00)
Net Change	14,619.67	(2,500.00)	469.20	12,588.87
Indebtedness at the end of the financial year				
i) Principal Amount	21,823.33	-	5,908.37	27,731.70
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	344.41	344.41
Total (i+ii+iii)	21,823.33	-	6,252.78	28,076.11

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.	6.73	75.34	37.60	119.67
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.69	11.36	1.42	17.47
2	Commission (as % of profit)	--	13.30	--	13.30
3	Others (Retirement Benefits)	0.54	6.56	2.37	9.47
	Total (A)	11.96	106.56	41.39	159.91
	Ceiling as per the Act				266.85



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. V.P. Kapahi	Sh. Ranbir Singh Seehra	Smt. Ruby Agarwal	Sh. Vikas Uppal	
	(a) Fee for attending board / committee meetings	0.36	0.36	0.18	0.09	0.99
	(b) Commission	4.43	4.43	4.43	1.11	14.40
	Total (1)	4.79	4.79	4.61	1.20	15.39
2	Other Non Executive Directors	Smt. Manjoo Sardana		Smt. Shalini Umesh Chablani		
	(a) Fee for attending board / committee meetings	0.27		0.09		0.36
	(b) Commission (as % of profit)	2.96		1.11		4.07
	Total (2)	3.23		1.20		4.43
	Total (B)=(1+2)					19.82
	Total Managerial Remuneration excl. Sitting fees					18.47
	Overall Ceiling as per the Act.					26.60

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

S.No.	Particulars of Remuneration	Key Managerial Personnel	
1	Gross Salary	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	29.44	29.44
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-
2	Others (Retirement Benefits)	3.05	3.05
	Total	32.49	32.49

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 and inter-alia comprise :

- 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.
- Smaller sized hydroclones / lower HP pump have been replaced with optimum sized hydroclones / pumps thereby reducing the consumption of power considerably.
- Trials are being conducted to use biological culture in place of extensive aeration at ETP to reduce the energy consumption at aeration stage which used to be the major consumer of electricity.

(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 ₹ 486.75 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 ₹ 69.60 lacs during the year under reference (₹ 68.75 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 ₹ 132.14 lacs (₹ 802.14 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 3,629.35 lacs (₹ 27.45 lacs during previous year), Spare parts, components and consumables of ₹ 5.02 lacs (₹ 37.11 lacs during previous year) and Raw Material of Rs. 566.85 lacs (Nil during previous year) on a C.I.F. basis and has remittance on foreign traveling of ₹ 0.38 lacs (₹ 3.88 lacs during previous year).



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit for the financial year 2019-20 of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sukhjit Starch & Chemicals Limited (hereinafter referred to as the 'Company').

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/-
CS Dinesh Gupta
(Partner)
M.No. 3462, COP No. 1947
UDIN : F003462B000336828

Place : Jalandhar
Dated : June 12, 2020



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

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

To

The Members

The Sukhjit Starch & Chemicals Limited
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, 2020 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, 2020 according to the provisions of:

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



ANNEXURE 'G' TO THE DIRECTORS' REPORT

- (vi) Other laws applicable on the Company including
- Food Safety and Standards Act, 2006,
 - Factories Act, 1948,
 - 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
 - Goods & Services Tax, 2017

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 Uniform Listing Agreement for equity shares entered into by the Company with BSE Limited, Mumbai and;

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

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

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

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

Further, majority decision of members is carried through and recorded as part of minutes.

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
M.No. 3462, COP No. : 1947
UDIN : F003462B000336828

Place : Jalandhar
Dated : June 12, 2020



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members
Sukhjit Starch and Chemicals Limited
Phagwara.

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, it is hereby certified that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.NO.	DIRECTOR	DESIGNATION	DIN	DATE OF APPOINTMENT
1	Smt. MANJOO SARDANA	NON-EXECUTIVE CHAIRPERSON	08533106	08/08/2019
2	Sh. KULDIP KRISHAN SARDANA	MANAGING DIRECTOR	00398376	01/09/1990
3	Sh. MADAN GOPAL SHARMA	EXECUTIVE DIRECTOR (FIN.) & C.F.O.	00398326	01/08/2016
4	Sh. VINOD PAL KAPAHI	NON-EXECUTIVE INDEPENDENT DIRECTOR	00957729	26/12/2005
5	S. RANBIR SINGH SEEHRA	NON-EXECUTIVE INDEPENDENT DIRECTOR	01572708	01/04/2019
6	Smt. RUBY AGRAWAL	NON-EXECUTIVE INDEPENDENT DIRECTOR	08417902	01/04/2019
7	Sh. VIKAS UPPAL	ADDITIONAL NON - EXECUTIVE INDEPENDENT DIRECTOR	00796828	21/01/2020
8	Smt. SHALINI UMESH CHABLANI	ADDITIONAL NON - EXECUTIVE DIRECTOR	00885883	21/01/2020

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

For Dinesh Gupta & Co
(Company Secretaries)

Sd/-
Anuj Makol
(Partner)

Date : June 04, 2020
Place : Jalandhar

ACS No. 40319; CP No. 15042
UDIN: A040319B000317211



DECLARATION BY THE MANAGING DIRECTOR

To

The Shareholders,
The Sukhjit Starch & Chemicals Ltd.,

Declaration by the Managing Director

Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I, K.K. Sardana, Managing Director of The Sukhjit Starch & Chemicals Ltd. declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2020.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

Sd/-

(K.K. SARDANA)
Managing Director

Place : Phagwara

Dated : 12th June, 2020

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, 2020 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, 2020, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Stake holder's relationship / grievance committee.

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

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

(AMIT CHADHA)
Partner

Place : Phagwara

Dated : 12th June, 2020

Memb. No. 507087



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, 2020 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware of.

Sd/-

(K.K. Sardana)

Managing Director

Sd/-

(M.G. Sharma)

Chief Financial Officer

Place : Phagwara.

Dated : 12th June, 2020



INDEPENDENT AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE STANDALONE FINANCIAL STATEMENTS :

OPINION

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2020, which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the standalone Ind AS financial Statement").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (the 'Act'), in the manner so required and give a true and fair view in conformity with the accounting standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

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



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
	<p>assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p> <p>We have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and accounting standards.</p>
Inventory record and existence	
<p>The Company recognised inventory in the books of accounts which is held by Company's units across India. Within each storage location, inventory is stored in warehouses / sheds. We opted this matter because of the significance of the inventory balance to the profit, statement of financial position and complexity involved in determining inventory quantities on hand due to the diversity of inventory storage locations, particularly, the company's basic raw material being an agri-produce.</p>	<p>Taking into account the installed capacities of various units of company, we have verified that the company duly maintains the raw material inventory levels for an appropriate period.</p> <p>We also observed a sample of management's inventory count procedures, to assess compliance with the Company process and made enquiries regarding non-moving inventory items.</p> <p>Further, we have also evaluated a selection of controls over inventory existence across the Company. There were no significant exceptions noted from these procedures.</p>
Capital work-in-progress/Property Plant and Equipment (PPE)	
<p>The Company is setting up its 5th manufacturing facility in Punjab. The project needs to be capitalized and depreciated once the assets are ready for use as intended by the management. Any inappropriate timing of capitalization of the project and/or classification of categories of items of PPE may result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.</p>	<p>Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation.</p> <p>We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories.</p>
Adoption of Ind AS 116 Leases	
<p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year which does away the difference of operating lease and financial lease. The application and transition to this accounting standard is an area of focus in our audit.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p>	<p>Our audit procedures on adoption of Ind AS 116 include :</p> <ul style="list-style-type: none"> – Assessed the key terms and conditions of each lease with the underlying lease contracts; and – Evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.



INDEPENDENT AUDITORS' REPORT

OTHER INFORMATION

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

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

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

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

AUDITOR'S RESPONSIBILITY :

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



INDEPENDENT AUDITORS' REPORT

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

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

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

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

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



INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclose in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that :
 1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 3. The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 4. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 5. On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
 6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in "Annexure B".
 7. In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 8. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

UDIN. 20507087AAAAEJ4556

Place : Phagwara

Dated : 12th June, 2020



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 2020, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
3. In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
4. According to the information and explanations given to us, there is no loan to any director including entities in which the directors are interested. So, the provisions of section 185 and 186 of the Act, in respect of the said loans and advances given, investments made, guarantees & securities given are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
6. The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, 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 outstanding dues on account of employees' state insurance and duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
(b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :



INDEPENDENT AUDITORS' REPORT

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

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

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

Place : Phagwara.
Dated : 12th June, 2020



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, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



INDEPENDENT AUDITORS' REPORT

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Phagwara.
Dated : 12th June, 2020



BALANCE SHEET AS ON 31ST MARCH, 2020

	NOTE	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	21,300.36	21,341.24
(b) Capital Work-in-progress	4	18,055.71	6,761.16
(c) Investment Property	5	2,029.37	2,029.37
(d) Other Intangible Assets	3	6.97	6.73
(e) Financial Assets			
(i) Investments	6	3,852.66	1,766.36
(f) Other Non Current Assets	7	286.15	249.78
		<u>45,531.22</u>	<u>32,154.64</u>
2. CURRENT ASSETS			
(a) Inventories	8	15,210.09	5,324.36
(b) Financial Assets			
(i) Investments	9	1,087.56	7,572.43
(ii) Trade Receivables	10	5,470.94	6,081.99
(iii) Cash & Cash Equivalents	11	171.39	211.52
(iv) Bank Balance other than (iii)	12	1,050.43	869.63
(v) Other Financial Assets	13	1,980.59	878.69
(c) Income Tax Asset (net)	14	256.06	-
(d) Other Current Assets	15	198.51	188.41
		<u>25,425.57</u>	<u>21,127.03</u>
TOTAL		<u><u>70,956.79</u></u>	<u><u>53,281.67</u></u>
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	1,475.96	1,475.96
(b) Other Equity	17	30,589.34	27,422.78
		<u>32,065.30</u>	<u>28,898.74</u>
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	15,988.37	11,274.40
(b) Deferred Tax Liabilities (Net)	19	2,113.84	3,159.08
(c) Other Non Current Liabilities	20	2,580.15	1,921.35
		<u>20,682.36</u>	<u>16,354.83</u>
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	11,743.33	3,859.66
(ii) Trade Payable	22	4,122.40	2,898.15
(b) Income Tax Liability (net)	23	-	92.74
(c) Other Current Liabilities	24	2,343.40	1,177.55
		<u>18,209.13</u>	<u>8,028.10</u>
TOTAL		<u><u>70,956.79</u></u>	<u><u>53,281.67</u></u>

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Managing Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS [MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)	FOR THE YEAR ENDED 31.03.2019 (₹ LACS)
1. Revenue From Operations	25	79,726.85	74,085.05
2. Other Income	26	797.66	230.27
3. Total Revenue		80,524.51	74,315.32
4. Expenses :			
Cost of Materials Consumed	27	60,606.86	47,416.91
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	28	(2,236.05)	383.55
Employee Benefits Expenses	29	4,330.34	4,369.97
Financial Costs	30	1,816.33	1,628.14
Depreciation and Amortisation Exp.	3	1,334.77	1,274.39
Other Expenses	31	11,368.86	12,644.51
Total Expenses		77,221.11	67,717.46
5. Profit Before Tax (3-4)		3,303.40	6,597.86
6. Tax Expense :			
- Current Tax	855.00		2,140.00
- Deferred Tax	(940.00)		290.00
- Taxes Relating to Previous Year	38.14		-
		(46.86)	2,430.00
7. Profit for the year (5-6)		3,350.26	4,167.86
8. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		(4.11)	(14.26)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		1.03	4.94
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		27.88	243.36
(b) Income tax relating to items that will be reclassified to Profit & Loss		(6.74)	(84.22)
9. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)		3,368.32	4,317.67
10. Earning per equity share :			
(a) Basic		22.70	28.24
(b) Diluted		22.70	28.24

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Executive Director (Fin.) & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

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As per our separate report of even date
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Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL



STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Subsidy	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2019						
Balance at the beginning of the reporting period i.e. 1st April, 2018	417.67	87.14	22,397.19	2,138.81	114.25	25,155.06
Profit for the year				4,167.81		4,167.81
Other Comprehensive Income					149.80	149.80
Dividends				(1,033.18)		(1,033.18)
Tax on dividend				(212.37)		(212.37)
Transfer to General Reserve			2,500.00	(2,500.00)		—
Utilized for issue of Bonus Shares		(87.14)	(650.84)			(737.98)
OCI reclassified to P&L					(66.36)	(66.36)
Balance at the end of the reporting period i.e. 31st March, 2019	417.67	—	24,246.35	2,561.07	197.69	27,422.78
AS ON 31 MARCH 2020						
Balance at the beginning of the reporting period i.e. 1st April, 2019	417.67	—	24,246.35	2,561.07	197.69	27,422.78
Profit for the year				3,350.26		3,350.26
Other Comprehensive Income					9.54	9.54
Dividends						—
Tax on dividend						—
Transfer to General Reserve			2,500.00	(2,500.00)		—
OCI reclassified to P&L					(193.24)	(193.24)
Balance at the end of the reporting period i.e. 31st March, 2020	417.67	—	26,746.35	3,411.33	13.99	30,589.34



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the Year Ended 31st March, 2020 (₹ Lacs)	For the Year Ended 31st March, 2019 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	3,303.40	6,597.86
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,334.79	1,274.38
Provision	20.27	54.94
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(153.03)	(115.29)
Interest paid	1,739.67	1,595.79
(Profit) Loss on sale of investments/assets	(636.29)	(96.12)
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	5,608.81	9,311.56
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(521.22)	1,869.43
Inventories	(9,885.75)	3,886.31
Trade Payables	1,224.25	(763.12)
Other Liabilities	(296.25)	64.67
NET FLOWS FROM OPERATING ACTIVITIES	(3,870.16)	14,368.84
Net Direct Taxes Paid	(1,241.71)	(1,689.10)
NET FLOWS FROM OPERATING ACTIVITIES	(5,111.86)	12,679.74
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(12,231.86)	(6,878.63)
Sale of Investments/Assets	696.99	108.59
Other Investments	4,094.36	(2,755.17)
Interest received	153.03	115.29
NET FLOWS FROM INVESTING ACTIVITIES	(7,287.48)	(9,409.92)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	7,883.68	(3,677.12)
Term Loans raised	5,708.00	3,344.00
Repayment of Term Loan	—	(250.00)
Other Loans raised	713.21	461.09
Dividends paid (including DDT)	(9.92)	(1,228.35)
Lease Liability	(15.29)	—
Interest paid	(1,739.67)	(1,595.79)
NET FLOWS FROM FINANCING ACTIVITIES	12,540.01	(2,946.17)
Net Cash Flows during the year	140.67	323.65
Cash & cash equivalents at the beginning of the year	1,081.15	757.50
Cash & cash equivalents at the end of the year	1,221.82	1,081.15

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As per our separate report of even date
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Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
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Place : Phagwara
Dated : 12th June, 2020

DIRECTORS [MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL



NOTES

Forming part of the standalone financial statements for the year ended 31st March, 2020.

1. CORPORATE INFORMATION

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

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

The Company is listed on Bombay Stock Exchange Ltd. (BSE). The standalone financial statements for the year ended March 31, 2020 were approved by the Board of Directors on 12th June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and rules & guidelines issued by SEBI as applicable.

(c) Property, Plant and Equipment

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

- (i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013 : Buildings - 3 to 60 years, Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.



(d) Intangible Assets

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

(e) Investments

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

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

(f) Investment Property

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

(g) Financial Instruments

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

(h) Inventories

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

(i) Cash and Cash Equivalents

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

(j) Income Tax and Deferred Tax

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

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

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



(k) Lease assets

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

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

(l) Use of Estimates

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

(m) Recognition of Income and Expenses

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

(n) Government subsidy / Grants

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

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

(o) Employee Benefits

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



- (ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.
- (iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under a separate trust and charged to the profit and loss account / other comprehensive income of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis
- (p) Research and Development Expenditure**
Revenue expenditure on research and development are charged off as and when incurred. However, the capital expenditure is considered as part of the fixed assets and depreciation on the same basis as other fixed assets.
- (q) Foreign Currency Transaction**
The company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or the exchange rates prevailing at the end of the accounting year.
Any income or expenditure on account of exchange difference (on transaction) is recognized in the profit and loss account except Long term liabilities relating to acquisition of fixed assets where they are adjusted to the cost of asset and depreciated over the balance life of the assets.
- (r) Impairment**
Impairment loss, if any, is provided, by making provision in the books of accounts, to the extent carrying cost of an asset exceeds its realizable value.
- (s) Borrowing Cost**
Borrowings cost related to specific borrowings for acquisition / construction / erection of a qualifying asset are capitalized as a part of the cost of such asset till such time the asset is ready for its intended use. Borrowing cost related to general borrowings for acquisition / construction / erection of a qualifying asset are capitalized as a part of the cost by applying a capitalization rate as per IND-AS 23.
- (t) Provisions, Contingent Liability and Contingent Assets**
Disputed liabilities and claims against the company including claims raised by fiscal authorities pending in appeal / court for which no reliable estimate can be made and / or involves uncertainty of the outcome of the amount of the obligation are not provided for in accounts but disclosed in notes to accounts.
- (u) Earnings Per Share**
For the purpose of calculating basic earnings per share, the net profit or loss for the period attributable to equity shareholders after deducting any attributable tax thereto for the period is divided by weighted number of equity shares outstanding during the period.
For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares (if any).



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

FIXED ASSETS AS ON 31ST MARCH, 2020												Amount (₹ Lacs)
ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS					PREVIOUS YEAR	
	LAND	RIGHT TO USE ASSET (LAND)	BUILDING & FIXTURE	FURNITURE & MACHINERY	PLANT & MACHINERY	EQUIPMENTS			TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE		TOTAL ASSTS
						ELECTRIC FITTING & OTHER	VEHICLES					
COST												
Cost as on 1.4.2019	1,291.71	--	7,744.53	299.36	24,212.05	1,095.44	401.79		35,044.87	38.63	35,083.50	33,575.01
Additions	69.17	417.55	275.90	3.49	525.64	47.63	12.49		1,351.86	3.00	1,354.87	1,543.34
Sale/Adjustments	--	--	--	--	80.12	--	--		80.11	--	80.12	34.85
Total as on 31.3.2020	1,360.88	417.55	8,020.43	302.85	24,657.57	1,143.07	414.28		36,316.62	41.63	36,358.26	35,083.50
DEPRECIATION												
Upto 31.3.2019	--	--	3,466.28	247.01	8,776.67	851.14	362.60		13,703.69	31.90	13,735.59	12,483.56
For the Year	--	9.72	363.68	14.15	871.93	54.60	17.92		1,331.99	2.77	1,334.77	1,274.39
On Sale/Adjustments	--	--	--	--	19.43	--	--		19.42	--	19.43	22.39
Upto 31.3.2020	--	9.72	3,829.96	261.16	9,629.17	905.74	380.52		15,016.26	34.66	15,050.95	13,735.59
NET VALUE												
As at 31.3.2020	1,360.88	407.83	4,190.46	41.68	15,028.40	237.33	33.76		21,300.36	6.97	21,307.31	21,347.94



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
NON CURRENT ASSETS		
4. CAPITAL WORK-IN-PROGRESS		
Building under Construction	4,920.11	2,740.33
Machinery under Errection	11,186.58	1,246.23
Electric Installation under Errection	637.01	24.74
Furniture/Fixtures	1.90	1.64
Advance against Capital Goods	327.53	2,604.70
Pre-operative Expenses	982.58	143.52
	18,055.71	6,761.16
5. INVESTMENT PROPERTY		
Land	1,592.67	1,592.67
Advances against Purchase of Property	436.70	436.70
	2,029.37	2,029.37
Market Value of Investment Property ₹ 2,241.25 lacs (P.Y. ₹ 2,241.25 lacs)		
FINANCIAL ASSETS		
6. INVESTMENTS		
INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID (AT COST)		
UNSUBSIDIARIES :		
(i) The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value ₹ 10/- each	20.90	20.90
(ii) Sukhjit Mega Food Park & Infra Ltd. 33910272 Shares (Prev. Year 12042000 shares) of face value ₹ 10/- each	3,391.03	1,204.20
(iii) Scott Industries Limited 4400000 shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	3,851.93	1,665.10
INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID UP (OTHERS)		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN DEBENTURES / BONDS - QUOTED		
Tata Capital Ltd.	—	100.53
Nil Non-Convertible Secured Debentures (Prev. Year 20 deb. of Rs. 500000/- each)		
	3,852.66	1,766.36
Aggregate Amount of Unquoted Investments - ₹ 3,852.66 lacs (P.Y. ₹ 1,665.83 lacs)		
Aggregate Amount of Quoted Investments - ₹ Nil lacs (P.Y. ₹ 100.53 lacs)		



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
7. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security / Other Deposits	<u>286.15</u>	<u>249.78</u>
	<u>286.15</u>	<u>249.78</u>
CURRENT ASSETS		
8. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	9,872.60	1,740.70
Stock in Process (at cost or net realisable value whichever is lower)	875.65	584.31
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	3,057.69	1,112.98
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,380.45	1,866.82
Loose Tools (at cost or net realisable value whichever is lower)	23.70	19.55
	<u>15,210.09</u>	<u>5,324.36</u>
FINANCIAL ASSETS		
9. INVESTMENTS		
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED :		
(i) Baroda Short Term Bond Fund	-	1,106.85
Nil units (Prev. Year 5371040.968 units)		
(ii) HDFC Banking and PSU Debt Fund	772.61	1,929.24
4590642.353 units (Prev. Year 12661389.651 units)		
(iii) HDFC Ultra Short Term Fund	-	1,627.26
Nil units (Prev. Year 15535617.090 units)		
(iv) HDFC Credit Risk Debt Fund	-	1,177.15
Nil units (Prev. Year 7394777.650 units)		
(v) Baroda Pioneer Liquid Fund	-	937.07
Nil units (Prev. Year 44216.579 units)		
(vi) UTI Credit Risk Fund	-	338.06
Nil units (Prev. Year 2021113.903 units)		
(vii) SBI Credit Risk Fund	-	121.33
Nil units (Prev. Year 406226.642 units)		
	<u>772.61</u>	<u>7,236.95</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
INVESTMENT IN BONDS/DEBENTURES QUOTED (AT COST) :		
(i) National Highway Authority of India Nil Bonds (Prev. Year 2472 Bonds)	–	25.80
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb. of Rs. 10,00,000/- each)	314.95	309.68
	<u>314.95</u>	<u>335.48</u>
	<u>1,087.56</u>	<u>7,572.43</u>
Aggregate Amount of Unquoted Investments - ₹ 772.61 lacs (P.Y. ₹ 7,236.95 lacs)		
Aggregate Amount of Quoted Investments - ₹ 314.95 lacs (P.Y. ₹ 335.48 lacs)		
10. TRADE RECEIVABLES		
Considered Good	5,466.44	6,082.46
Considered Doubtful	135.11	109.88
	<u>5,601.55</u>	<u>6,192.34</u>
Less : Provision for Doubtful debts	130.61	110.35
	<u>5,470.94</u>	<u>6,081.99</u>
11. CASH AND CASH EQUIVALENTS		
Cash in Hand	28.62	27.04
Balance with Scheduled Banks in - Current Accounts	142.77	184.48
	<u>171.39</u>	<u>211.52</u>
12. BANK BALANCES		
Balance with Scheduled Banks in Unclaimed Divident Accounts	84.22	94.14
Margin Money Accounts (*)	161.27	155.34
Fixed Deposit Accounts (**)	804.94	620.15
	<u>1,050.43</u>	<u>869.63</u>
(*) Include Balances of ₹ 52.39 lacs (P.Y. ₹ 75.80 lacs) with the maturity of more than one year.		
(**) Include Balances of ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) with the maturity of more than one year.		
13. OTHER FINANCIAL ASSETS		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received	1,578.52	367.71
Advances to Subsidiaries	256.31	384.20
Other Advances (*)	145.76	126.78
	<u>1,980.59</u>	<u>878.69</u>

(*) Include ₹ 9.71 lacs (P.Y. ₹ 12.83 lacs) as Advances to Sundry Suppliers for purchase of materials.



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
14. INCOME TAX ASSETS (NET)		
Income Tax in advance	4655.12	-
Less : Provision for Tax	4399.06	-
	<u>256.06</u>	<u>-</u>
15. OTHER CURRENT ASSETS		
Prepaid Expenses	66.39	77.74
Interest & Other recoverables	132.12	110.67
	<u>198.51</u>	<u>188.41</u>

EQUITY

16. EQUITY SHARE CAPITAL

Authorised		
150,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,000.00
Issued, Subscribed & Paid up	1,475.96	1,475.96
14759640 Equity Shares of Rs. 10/- each fully paid up	<u>1,475.96</u>	<u>1,475.96</u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2020		As on 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Manjoo Sardana	14,84,947	10.06	3,39,000	2.30
Sh. Inder Krishan Sardana	-	-	11,66,466	7.90
Sh. Kuldip Krishan Sardana	13,19,909	8.94	12,83,900	8.70
Sh. Dhiraj Sardana	8,71,362	5.90	8,67,662	5.88
Sh. Bhavdeep Sardana	8,65,782	5.87	8,62,282	5.84
Sh. Puneet Sardana	8,63,816	5.85	8,60,316	5.83
Sh. Pankaj Sardana	8,67,194	5.88	8,63,694	5.85

17. OTHER EQUITY

RESERVES & SURPLUS

A. CAPITAL SUBSIDY	417.67	417.67
B. GENERAL RESERVE		
Opening Balance	24,246.35	22,397.19
Less : Utilized for issue of Bonus Issue	-	650.84
Add : Transferred from Profit & Loss Account	2,500.00	2,500.00
	<u>26,746.35</u>	<u>24,246.35</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
C. PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	2,561.07	2,138.81
Add : Profit for the year	<u>3,350.26</u>	<u>4,167.86</u>
	<u>5,911.33</u>	<u>6,306.67</u>
Less : Appropriations/Payments :		
(a) Interim Dividend	–	479.69
(b) Final Dividend	–	553.49
(c) Corporate tax on dividend	–	212.37
(d) Transferred to General Reserve	<u>2,500.00</u>	<u>2,500.00</u>
Surplus Carried Forward	<u>3,411.33</u>	<u>2,561.07</u>
D. OTHER COMPREHENSIVE INCOME		
Opening balance	197.69	114.25
(a) Remeasurement of defined employee benefit plans	(11.60)	(8.52)
(b) Net change in fair value of investments other than equity	21.14	158.32
(c) Item reclassified to P & L	<u>(193.24)</u>	<u>(66.36)</u>
	<u>13.99</u>	<u>197.69</u>
	<u>30,589.34</u>	<u>27,422.78</u>

LIABILITIES

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

18. BORROWINGS

SECURED LOANS - TERM LOAN FROM BANKS

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

1,205.00

–

From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and collaterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in twenty equal quarterly installments. First Installment due from September, 2020.)

6,375.00

3,344.00



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
From Citi Bank NA - Secured against charge on land located at G.T. Road, Phagwara (Repayable during FY 2021-22)	2,500.00	2,500.00
UNSECURED LOANS		
Fixed Deposits (includes ₹ 5,77,42,000/- from Directors, previous year ₹ 3,30,45,000/-) (Maturity Period Ranging from 1 to 3 years)	5,908.37	5,430.40
	<u>15,988.37</u>	<u>11,274.40</u>
19. DEFERRED TAX LIABILITIES (NET)		
As per Last Balance Sheet	3,159.08	2,829.25
Add/(Less) : Tax effect on OCI	(105.24)	39.83
Add/(Less) : Provision for the year on account of timing difference arising on depreciation on fixed assets as per Income Tax Act & Companies Act and on account of others provisions	(940.00)	290.00
	<u>2,113.84</u>	<u>3,159.08</u>
20. OTHER NON CURRENT LIABILITIES		
Security Deposits	656.71	342.54
Provision	400.00	400.00
Deferred Income - Govt. Grant(s)	82.00	86.00
Lease Liability	427.56	-
Other Long Term Liabilities	1,013.88	1,092.81
	<u>2,580.15</u>	<u>1,921.35</u>
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
21. BORROWINGS		
SECURED		
Cash Credit limits from Punjab National Bank		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	8,044.58	3,059.91
(ii) Secured against Book Debts	1,698.75	799.75
Cash Credit limits colletarally secured against Eq. mortgage of land & building of Nizamabad unit, lease rights on land of malda unit, building constructed there on the P & M and other fixed assets of the units		
Short Term Borrowings from Citi Bank NA Secured against charge on land located at G.T. Road, Phagwara	2,000.00	-
	<u>11,743.33</u>	<u>3,859.66</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
22. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	128.11	150.34
(ii) Others	2,231.52	1,077.33
Sundry creditors for Expenses	1,233.47	1,168.06
Other Creditors (**)	529.30	502.42
	<u>4,122.40</u>	<u>2,898.15</u>
(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil)		
(**) Include ₹ 128.27 lacs (P.Y. ₹ 197.80 lacs) as advance from Sundry Customers for supply of Goods.		
23. INCOME TAX LIABILITY (NET)		
Provision for Tax	–	4,284.06
Less : Income Tax in advance	–	4,191.32
	<u>–</u>	<u>92.74</u>
24. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	1,472.00	–
Unclaimed Dividends	84.22	94.14
Taxes payable	442.77	730.23
Interest accrued but not due on Fixed Deposits	344.41	353.18
	<u>2,343.40</u>	<u>1,177.55</u>
25. REVENUE FROM OPERATIONS		
Sales		
Starches	29,845.86	26,786.46
Starch Derivatives	29,839.73	29,780.98
By-products & Misc Sales	20,041.26	17,517.60
	<u>79,726.85</u>	<u>74,085.05</u>
26. OTHER INCOME		
Interest Received	153.03	115.29
Other Income (*)	8.34	18.86
Profit/(Loss) on sale of Assets/Units	636.29	96.12
	<u>797.66</u>	<u>230.27</u>

(*) Include Rent Received of ₹ 5.97 lacs (P.Y. ₹ 10.99 lacs)



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

		AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
27. COST OF MATERIALS CONSUMED			
Opening Stock of Basic Raw Material	1,740.70		5,370.81
Purchase of Basic Raw Material	65,328.65		39,586.26
	<u>67,069.35</u>		<u>44,957.07</u>
Less : Closing Stock of Basic Raw Material	9,872.60		1,740.70
Effective Consumption of Basic Raw Material		57,196.75	43,216.37
Other Raw Materials, Consumables & Stores		3,410.11	4,200.54
		<u>60,606.86</u>	<u>47,416.91</u>
28. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS			
Opening Stock of Finished Goods	1,112.98		1,329.37
Opening Stock in Process	<u>584.31</u>		<u>751.47</u>
		1,697.29	2,080.84
Closing Stock of Finished Goods	3,057.69		1,112.98
Closing Stock in Process	<u>875.65</u>		<u>584.31</u>
		3,933.34	1,697.29
Change in Inventories		<u>(2,236.05)</u>	<u>383.55</u>
29. EMPLOYEE BENEFIT EXPENSES			
Wages & Salaries		3,909.04	3,901.60
Cont. to PF, ESI, Superannuation & Other Funds		283.72	288.37
Workmen & Staff Welfare		137.58	180.00
		<u>4,330.34</u>	<u>4,369.97</u>
30. FINANCIAL COSTS			
Interest Expense		1,739.67	1,595.79
Interest on Lease Liability		41.76	–
Other Borrowings Cost/Bank Charges		34.90	32.35
		<u>1,816.33</u>	<u>1,628.14</u>
31. OTHER EXPENSES			
MANUFACTURING EXPENSES :			
Power and Fuel & others	8084.12		9,009.32
Machinery Repair	375.55		402.77
Building Repair	<u>86.05</u>		<u>128.23</u>
		8,545.72	9,540.32



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)	FOR THE YEAR ENDED 31.03.2019 (₹ LACS)
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	15.46	16.27
Professional/Legal Expenses	78.50	52.99
Directors' Fee	1.35	1.92
Travelling Expenses	132.33	147.76
Auditors' Remuneration	7.62	6.22
Rent Paid	29.76	40.02
Electricity & Water Charges	33.06	35.30
Entertainment	4.24	3.47
Postage & Telephones	20.33	27.80
Advertisement	18.48	12.98
Subscription	27.09	26.08
General Charges	9.58	8.24
Insurance Expenses	60.82	54.74
Other Repairs & Maintenance	61.74	77.79
Commission & Brokerage	559.94	544.97
Provision for Bad debts/written off.	25.59	58.77
Other Govt. Taxes, Levies & Fees	110.52	48.88
Directors' Commission	31.77	130.07
Charity & Donation	87.80	81.56
Carriage & Forwarding Charges	1507.16	1,728.36
	2,823.14	3,104.19
	<u>11,368.86</u>	<u>12,644.51</u>



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
 - (i) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹11.32 Crores (Previous Year ₹ 8.44 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade/ vendors for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee(s) of ₹40 crores to Yes Bank Ltd and ₹ 20 crores to Citi Bank N.A. for availing the Term Loan(s) by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.
 - (ii) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :
 - ₹28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Ludhiana.
 - Other items related to a demand of ₹ 0.53 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
 - ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 28.25 Crores (Previous year ₹ 58.50 Crores)
 - (iv) Export obligation pending to be fulfilled is ₹ 60.10 Crores (Previous year NIL) 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\$ 1.87 lacs during the year under reference (Previous year US\$ 11.70 lacs).
3. National saving certificates of ₹ 0.08 lacs (Previous year ₹ 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include ₹ 256.31 lacs (Previous year ₹ 384.20 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)	3,350.26	4,167.84
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,47,59,640	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	22.70	28.24
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	22.70	28.24
6. **Managerial Remuneration** paid/payable to the Executive Directors :

	2019-20 (₹ Lacs)	2018-19 (₹ Lacs)
(i) Salaries	119.67	207.22
(ii) Commission	13.30	65.04
(iii) Contribution to retirement benefit funds	9.47	15.51
(iv) Perquisites	17.47	39.65

7. Related Party Disclosures

Transactions entered during the F.Y.2019-20 (P.Y.2018-19)

(Rs. Lacs)

	Rent & Dev. Charges Paid	Rent Received	On account of Purchase of Machinery & other items	On account of Sales of Store items & Scrap etc.	Remuneration Paid	Retirement Benefits Paid	Commission on Profits Paid	Sitting Fee Paid	Fixed Deposit Received	Fixed Deposit Repaid	Interest on Fixed Deposits Paid
A. Subsidiaries :											
1. Sukhjit Mega Food Park & Infra Ltd.	104.76 (95.24)	-	-	69.11 (8.65)	-	-	-	-	-	-	-
2. The Vijoy Steel & General Mills Co. Ltd.	-	0.06 (0.06)	190.81 (61.65)	11.56 (1.89)	-	-	-	-	-	-	-
B. Directors & KMPs											
1 Smt. Manjoo Sardana, Non Executive Chairperson	-	-	-	-	-	-	2.96 (Nil)	0.27 (Nil)	380.06(21.91)	82.71(16.25)	20.14(1.18)
2 Sh. Kuldeep Krishan Sardana, Managing Director	-	5.46 (5.43)	-	-	86.70 (92.40)	6.56 (6.50)	13.30 (32.52)	-	2.01(113.45)	74.51(40.00)	11.27(13.36)
3 Sh. Madan Gopal Sharma, Executive Director (Fin.) & C.F.O.	-	-	-	-	39.02(46.20)	2.38(2.42)	-	-	8.00 (8.00)	-	3.21(2.33)
4 Sh. Vinod Pal Kapahi, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (10.84)	0.36 (0.45)	-	-	-
5 Sh. Ranbir Singh Seehra, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (Nil)	0.36 (Nil)	-	-	-
6 Smt. Ruby Aggarwal, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (Nil)	0.18 (Nil)	8.79 (2.28)	Nil (8.86)	10.27 (10.00)
7 Smt. Shalini Chabiani, Non Executive Director	-	-	-	-	-	-	1.11 (Nil)	0.09 (Nil)	-	-	-
8 Sh. Vikas Uppal, Non Executive Director	-	-	-	-	-	-	1.11 (Nil)	0.09 (Nil)	-	-	-
9 Sh. Aman Setia, Vice President (Finance) & Company Secretary	-	-	-	-	29.44 (27.86)	3.05 (2.72)	-	-	-	-	-



(Rs. Lacs)											
	Rent & Dev. Charges Paid	Rent Received	On account of Purchase of Machinery & other items	On account of Sales of Store items & Srcap etc.	Remun-eration Paid	Retirement Benefits Paid	Commission on Profits Paid	Sitting Fee Paid	Fixed Deposit Received	Fixed Deposit Repaid	Interest on Fixed Deposits Paid
C. Relatives of Directors & KMPs :											
Sh. Dhiraj Sardana	6.00 (6.00)	-	-	-	60.35 (55.17)	7.50 (6.93)	-	-	6.73 (54.30)	10.00 (44.58)	0.34 (0.21)
Sh. Pankaj Sardana	6.00 (6.00)	-	-	-	59.02 (52.83)	6.92 (6.24)	-	-	16.33 (57.37)	9.00 (53.58)	1.15 (0.62)
Ms. Rohini Sardana	-	-	-	-	-	-	-	-	0.78 (3.95)	-	1.74 (1.48)
Master Veer Partap Sardana	-	-	-	-	-	-	-	-	7.43 (6.56)	-	2.40 (1.79)
Master Uday Partap Sardana	-	-	-	-	-	-	-	-	0.84 (Nil)	-	0.13 (0.10)
I K Sardana (HUF)	-	-	-	-	-	-	-	-	2.33 (18.25)	25.02 (Nil)	2.35 (1.80)
Smt. Suman Sardana	-	-	-	-	-	-	-	-	13.85 (24.69)	2.50 (Nil)	12.73 (11.02)
Sh. Bhavdeep Sardana	6.00 (6.00)	-	-	-	52.67 (53.29)	7.50 (6.94)	-	-	0.08 (49.39)	10.00 (57.87)	0.09 (0.48)
Sh. Puneet Sardana	6.00 (6.00)	-	-	-	50.18 (49.51)	6.92 (6.24)	-	-	0.08 (56.39)	12.89 (52.50)	0.12 (0.67)
Smt. Ravi Chowdhry	-	-	-	-	-	-	-	-	93.16 (58.38)	32.75 (185.36)	5.89 (4.85)
Smt. Dipti Sardana	-	-	-	-	-	-	-	-	3.91 (3.23)	3.00 (1.50)	1.06 (0.96)
Smt. Sona Sardana	-	-	-	-	-	-	-	-	0.04 (.03)	-	0.05 (0.04)
Ms. Kudrat Sardana	-	-	-	-	-	-	-	-	0.64 (1.06)	-	0.53 (0.46)
Ms. Lavanya Sardana	-	-	-	-	-	-	-	-	0.57 (1.00)	-	0.12 (0.06)
Ms. Tejasvi Sardana	-	-	-	-	-	-	-	-	0.65 (1.54)	-	0.30 (0.21)
Master Himaksh Sardana	-	-	-	-	-	-	-	-	0.45 (0.44)	0.97 (Nil)	0.49 (0.49)
Master Himmat Sardana	-	-	-	-	-	-	-	-	0.50 (0.43)	0.96 (Nil)	0.53 (0.50)
K K Sardana (HUF)	-	-	-	-	-	-	-	-	11.27 (27.90)	3.36 (Nil)	11.72 (10.06)
Smt. Uma Sharma	-	-	-	-	-	-	-	-	0.90 (0.78)	-	1.69 (1.52)
Sh. B D Vashisth	-	-	-	-	-	-	-	-	29.55 (2.19)	1.50 (Nil)	7.09 (6.47)
Sh. Sandeep Sharma	-	-	-	-	-	-	-	-	3.81 (Nil)	-	2.24 (2.11)
Smt. Shakuntla Sankhyan	-	-	-	-	-	-	-	-	2.66 (Nil)	-	1.40 (1.29)
Smt. Amarjit Kapahi	-	-	-	-	-	-	-	-	5.40 (7.50)	-	3.05 (2.60)
Ms. Anjali Aggarwal	-	-	-	-	-	-	-	-	0.40 (0.40)	-	0.48 (0.45)
Ms. Ashima Aggarwal	-	-	-	-	-	-	-	-	0.40 (0.40)	-	0.48 (0.45)
Smt. Archana Jain	-	-	-	-	-	-	-	-	32.31 (16.82)	-	23.54 (22.08)
Smt. Anjana Bansal	-	-	-	-	-	-	-	-	11.84 (14.18)	-	26.96 (26.29)
Smt. Mamta Aggarwal	-	-	-	-	-	-	-	-	7.66 (1.45)	-	20.14 (18.22)
Smt. Anita Aggarwal	-	-	-	-	-	-	-	-	11.30 (17.19)	-	30.52 (29.57)
Sh. GD Setia	-	-	-	-	-	-	-	-	0.87 (Nil)	-	1.47 (1.35)
Smt. Pooja Setia	-	-	-	-	-	-	-	-	0.27 (Nil)	-	0.11 (0.10)
Aman Setia (HUF)	-	-	-	-	-	-	-	-	-	-	0.22 (0.20)



Related Party Disclosures
Balance Outstanding - as on 31st March, 2020 (P.Y. 31st March, 2019)

(Rs. Lacs)

	Amount Receivable	Remuneration Payable	Commission on Profits Payable	Fixed Deposit Payable	Interest on Fixed Deposits Payable
A. Subsidiaries :					
1. Sukhjit Mega Food Park & Infra Ltd.	27.89 (106.48)	-	-	-	-
2. The Vijoy Steel & General Mills Co. Ltd.	16.62 (66.23)	-	-	-	-
3. Scott Industries Ltd.	211.81 (211.48)	-	-	-	-
B. Directors & KMPs					
1. Smt. Manjoo Sardana, Non Executive Chairperson		-	2.96 (Nil)	308.01 (11.86)	18.03 (0.35)
2. Sh. Kuldip Krishan Sardana, Managing Director		3.03 (5.31)	13.30 (32.52)	109.81 (182.31)	6.99 (9.52)
3. Sh. Madan Gopal Sharma, Executive Director (Fin.) & C.F.O.		6.94 (4.51)	-	39.50 (31.50)	1.47 (1.11)
4. Sh. Vinod Pal Kapahi, Non Executive - Independent Director		-	4.43 (10.84)	-	-
5. Sh. Ranbir Singh Seehra, Non Executive - Independent Director		-	4.43 (Nil)	-	-
6. Smt. Ruby Aggarwal, Non Executive - Independent Director		-	4.43 (Nil)	120.10 (111.31)	6.14 (5.69)
7. Smt. Shalini Chablani, Non Executive Director		-	1.11 (Nil)	-	-
8. Sh. Vikas Uppal, Non Executive Director		-	1.11 (Nil)	-	-
9. Sh. Aman Setia, Vice President (Finance) & Company Secretary		1.55 (3.20)	-	-	-
C. Relatives of Directors & KMPs :					
Sh. Dhiraj Sardana		1.16 (1.79)	-	9.73 (13.00)	0.09 (0.14)
Sh. Pankaj Sardana		0.59 (1.42)	-	23.83 (16.50)	0.57 (0.19)
Ms. Rohini Sardana		-	-	19.71 (18.93)	1.07 (0.90)
Master Veer Partap Sardana		-	-	31.24 (23.81)	1.10 (0.81)
Master Uday Partap Sardana		-	-	1.91 (1.07)	0.06 (0.12)
I K Sardana (HUF)		-	-	9.56 (32.25)	0.28 (1.46)
Smt. Suman Sardana		-	-	139.19 (127.84)	8.60 (11.01)
Sh. Bhavdeep Sardana		1.61 (2.10)	-	1.08 (11.00)	0.01 (0.11)
Sh. Puneet Sardana		4.16 (1.18)	-	1.08 (13.89)	0.07 (0.41)
Smt. Ravi Chowdhry		-	-	98.79 (38.38)	3.76 (0.42)
Smt. Dipti Sardana		-	-	12.53 (11.62)	0.92 (0.38)
Smt. Sona Sardana		-	-	0.57 (0.53)	0.04 (0.00)
Ms. Kudrat Sardana		-	-	6.20 (6.73)	0.35 (0.51)
Ms. Lavanya Sardana		-	-	1.71 (1.14)	0.12 (0.07)
Ms. Tejasvi Sardana		-	-	3.56 (2.91)	0.35 (0.23)
Master Himaksh Sardana		-	-	5.18 (5.70)	0.26 (0.27)
Master Himmat Sardana		-	-	5.56 (6.02)	0.28 (0.30)
K K Sardana (HUF)		-	-	134.67 (126.76)	7.78 (8.61)
Smt. Uma Sharma		-	-	18.33 (17.43)	1.33 (0.77)
Sh. B D Vashisth		-	-	93.90 (65.85)	3.28 (5.75)
Sh. Sandeep Sharma		-	-	26.31 (22.50)	0.41 (2.66)
Smt. Shakuntla Sankhyan		-	-	15.84 (13.18)	0.71 (1.89)
Smt. Amarjit Kapahi		-	-	32.40 (27.00)	2.88 (5.20)
Ms. Anjali Aggarwal		-	-	5.53 (5.13)	0.31 (0.29)
Ms. Ashima Aggarwal		-	-	5.53 (5.13)	0.31 (0.29)
Smt. Archana Jain		-	-	273.46 (241.15)	13.77 (12.79)
Smt. Anjana Bansal		-	-	312.62 (300.78)	15.90 (15.23)
Smt. Mamta Aggarwal		-	-	194.62 (216.53)	9.87 (11.23)
Smt. Anita Aggarwal		-	-	355.05 (343.75)	15.08 (14.76)
Sh. G D Setia		-	-	13.87 (13.00)	2.55 (2.10)
Smt. Pooja Setia		-	-	1.27 (1.00)	0.01 (0.19)
Aman Setia (HUF)		-	-	2.00 (2.00)	0.53 (0.31)



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

	2019-20	2018-19
	(₹ Lacs)	(₹ Lacs)
Net Profit as per Profit & Loss Account	3,303.40	6,597.86
Add : Commission to Directors	31.77	130.07
Directors Sitting Fee	1.35	1.92
	3,336.52	6,729.80
Less : Profit on sale of Assets/Shares	(636.29)	(96.12)
Balance :	2,700.23	6,633.68
Commission @ 1% on Net Profits to Non-Executive Directors*	18.47	65.03
Commission @ 1% on Net Profits to Mg. Director	13.30	65.04
Net Profit (as per Section 198)	2,668.46	6,503.61

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

	2019-20	2018-19
	(₹ Lacs)	(₹ Lacs)
9. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee (Inc Cost Audit fee)	7.20	5.80
Tax Audit Fee	0.42	0.42
10. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on a F.O.B. basis	132.14	802.14
11. VALUE OF IMPORTS ON C.I.F. BASIS		
(excluding canalised items)		
(i) Components/Spare Parts/Consumables	5.02	37.11
(ii) Capital Goods	3,629.35	27.45
(ii) Raw Material	566.85	-
12. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency on Foreign Travel	0.38	3.88
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	57,196.75	43,216.37
	(100%)	(100%)
(ii) Spare & Components :		
(a) Imported	12.82	35.71
	(3.82%)	(9.02%)
(b) Indigenous	322.74	359.98
	(96.18%)	(90.98%)

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Managing Director

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

Sd/-
(Amit Chadha) Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS [MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL



INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the attached Consolidated financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2020, which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow and a summary of significant accounting policies and other explanatory information. (herein after referred to as "the Consolidated Ind AS financial Statement").

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets and Revenue from operations as follows as on 31st March, 2020.

Subsidiary Company	Total Assets (in Lacs)	Revenue from Operations (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	57.60	195.48
Scott Industries Ltd.	109.96	–
Sukhjit Mega Food Park & Infra Ltd.	12,983.19	238.34

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
Revenue recognition	
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers".	<p>Our audit procedures selected a sample of sales contracts/ sales orders, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price;</p> <p>Obtained confirmations from customers on sample basis to support existence assertion of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</p> <p>We have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and accounting standards.</p>
Inventory record and existence	
The Company recognised inventory in the books of accounts which is held by Company's units across India. Within each storage location, inventory is stored in warehouses / sheds. We opted this matter because of the significance of the inventory balance to the profit, statement of financial position and complexity involved in determining inventory quantities on hand due to the diversity of inventory storage locations, particularly, the company's basic raw material being an agri-produce.	<p>Taking into account the installed capacities of various units of company, we have verified that the company duly maintains the raw material inventory levels for an appropriate period.</p> <p>We also observed a sample of management's inventory count procedures, to assess compliance with the Company process and made enquiries regarding non-moving inventory items.</p> <p>Further, we have also evaluated a selection of controls over inventory existence across the Company. There were no significant exceptions noted from these procedures.</p>
Capital work-in-progress/Property Plant and Equipment (PPE)	
The Company is setting up its 5th manufacturing facility in Punjab. The project needs to be capitalized and depreciated once the assets are ready for use as intended by the management. Any inappropriate timing of capitalization of the project and/or classification of categories of items of PPE may result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.	<p>Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation.</p> <p>We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories.</p>



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
Adoption of Ind AS 116 Leases	
<p>The Company has adopted Ind AS 116 Leases (Ind AS 116) in the current year which does away the difference of operating lease and financial lease. The application and transition to this accounting standard is an area of focus in our audit.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p>	<p>Our audit procedures on adoption of Ind AS 116 include :</p> <ul style="list-style-type: none"> – Assessed the key terms and conditions of each lease with the underlying lease contracts; and – Evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.

OTHER INFORMATION

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), changes in Equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to



INDEPENDENT AUDITORS' REPORT

continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

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



INDEPENDENT AUDITORS' REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) order, 2016 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclose in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in "Annexure B"
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)
Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087
UDIN : 20507087AAAAEI9404

Place : Phagwara
Dated : 12th June, 2020



INDEPENDENT AUDITORS' REPORT

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the Consolidated financial statements for the year ended 31st March 2020, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (iii) In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
- (iv) According to the information and explanations given to us, there is no loan to any director including entities in which the directors are interested. So, the provisions of section 185 and 186 of the Act, in respect of the said loans and advances given, investments made, guarantees & securities given are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
- (vi) The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, 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 outstanding dues on account of employees' state insurance and duty of excise.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) The Company has disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :
 - ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch.



INDEPENDENT AUDITORS' REPORT

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

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

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

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

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

Place : Phagwara

Dated : 12th June, 2020



INDEPENDENT AUDITORS' REPORT

ANNEXURE B TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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



INDEPENDENT AUDITORS' REPORT

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

Place : Phagwara

Dated : 12th June, 2020



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2020

	NOTE	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	22,880.05	22,279.36
(b) Capital Work-in-progress	4	28,193.42	12,824.85
(c) Investment Property	5	2,073.37	2,079.65
(d) Other Intangible Assets	3	7.10	6.87
(e) Financial Assets			
(i) Investments	6	0.73	101.26
(f) Other Non Current Assets	7	295.31	256.83
		<u>53,449.98</u>	<u>37,548.82</u>
2. CURRENT ASSETS			
(a) Inventories	8	15,223.90	5,371.64
(b) Financial Assets			
(i) Investments	9	1,087.56	7,572.43
(ii) Trade Receivables	10	5,540.30	6,168.78
(iii) Cash & Cash Equivalents	11	359.31	720.54
(iv) Bank Balance other than (iii)	12	1,050.43	869.63
(v) Other Financial Assets	13	2,800.73	860.56
(c) Income Tax Asset (net)	14	250.90	-
(d) Other Current Assets	15	207.51	191.30
		<u>26,520.64</u>	<u>21,754.88</u>
TOTAL		<u>79,970.62</u>	<u>59,303.70</u>
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	1,475.96	1,475.96
(b) Other Equity	17	29,984.31	26,854.41
(c) Minority Interest		1.05	0.49
		<u>31,461.32</u>	<u>28,330.86</u>
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	19,388.37	14,774.40
(b) Deferred Tax Liabilities (net)	19	2,111.76	3,157.56
(c) Other Non Current Liabilities	20	7,233.93	4,715.61
		<u>28,734.06</u>	<u>22,647.57</u>
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	21	11,743.33	3,859.66
(ii) Trade Payable	22	4,281.44	3,184.04
(b) Income Tax Liability (net)	23	-	92.74
(c) Other Current Liabilities	24	3,750.47	1,188.85
		<u>19,775.24</u>	<u>8,325.27</u>
TOTAL		<u>79,970.62</u>	<u>59,303.70</u>

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Managing Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)	FOR THE YEAR ENDED 31.03.2019 (₹ LACS)
1. Revenue From Operations	25	79,916.56	74,153.63
2. Other Income	26	1,035.95	330.40
3. Total Revenue		80,952.51	74,484.03
4. Expenses :			
Cost of Materials Consumed	27	60,663.09	47,367.78
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	28	(2,203.38)	368.22
Employee Benefits Expenses	29	4,434.90	4,469.68
Finance Costs	30	1,910.06	1,632.42
Depreciation and Amortisation Exp.	3	1,440.96	1,287.86
Other Expenses	31	11,438.11	12,751.99
Total Expenses		77,683.74	67,877.94
5. Profit Before Tax (3-4)		3,268.77	6,606.09
6. Tax Expense :			
- Current Tax	857.59		2,140.00
- Deferred Tax	(940.56)		305.35
- Taxes Relating to Previous Years	38.14		-
		(44.82)	2,445.35
7. Profit for the period (5-6)		3,313.60	4,160.74
8. Add/(Less) Minority Interest		(0.56)	(0.05)
9. Profit for the period (9+12)		3,313.04	4,160.69
10. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		(4.11)	(14.26)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		1.03	4.98
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		27.88	243.36
(b) Income tax relating to items that will be reclassified to Profit & Loss		(6.74)	(85.04)
11. Total Comprehensive Income for the Period (13+14) (Comprising Profit and other Comprehensive Income for the period)		3,331.11	4,309.73
12. Earning per equity share :			
(a) Basic		22.45	28.19
(b) Diluted		22.45	28.19

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Managing Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS [**MANJOO SARDANA**
RANBIR SINGH SEEHRA
VIKAS UPPAL



CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Subsidy	Securities Premium	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2019						
Balance at the beginning of the reporting period i.e. 1st April, 2018	417.81	87.14	22,397.19	1,577.38	114.25	24,593.77
Profit for the year				4,160.73		4,160.73
Other Comprehensive Income					149.80	149.80
Dividends				(1,033.18)		(1,033.18)
Tax on dividend				(212.37)		(212.37)
Transfer to General Reserve			2,500.00	(2,500.00)		—
Utilized for issue of Bonus Shares		(87.14)	(650.84)			(737.98)
OCI reclassified to P&L					(66.36)	(66.36)
Balance at the end of the reporting period i.e. 31st March, 2019	417.81	—	24,246.35	1,992.56	197.69	26,854.41
AS ON 31 MARCH 2020						
Balance at the beginning of the reporting period i.e. 1st April, 2019	417.81	—	24,246.35	1,992.56	197.69	26,854.41
Profit for the year				3,313.60		3,313.60
Other Comprehensive Income					9.54	9.54
Dividends						—
Tax on dividend						—
Transfer to General Reserve			2,500.00	(2,500.00)		—
OCI reclassified to P&L					(193.24)	(193.24)
Balance at the end of the reporting period i.e. 31st March, 2020	417.81	—	26,746.35	2,806.16	13.99	29,984.31



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the Year Ended 31st March, 2020 (₹ Lacs)	For the Year Ended 31st March, 2019 (₹ Lacs)
FLows FROM OPERATING ACTIVITIES		
Net Profit before tax	3,268.77	6606.09
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,440.96	1287.86
Provision	46.23	75.58
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(153.26)	(115.36)
Apportionment of Deferred Income	(137.15)	(98.28)
Interest paid	1,768.58	1,600.01
(Profit) Loss on sale of investments/assets	(636.29)	(96.12)
FLows FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES IN WORKING CAPITAL	5,597.84	9,259.78
Trade and other receivables	(1,366.38)	1,612.29
Inventories	(9,852.27)	3,878.70
Trade Payables	1,097.39	(495.45)
Other Liabilities	(300.47)	59.83
NET FLows FROM OPERATING ACTIVITIES	(4,823.89)	14,315.17
Net Direct Taxes Paid	(1,250.45)	(1,689.10)
NET FLows FROM OPERATING ACTIVITIES	(6,074.33)	12,626.07
FLows FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(16,406.08)	(12,067.28)
Sale of Fixed Assets	696.99	108.59
Acquisition of Minority Interest	(0.55)	(0.04)
Other Investments	6,332.49	(2,755.07)
Interest received	153.26	115.36
NET FLows FROM INVESTING ACTIVITIES	(9,223.89)	(14,598.44)
FLows FROM FINANCING ACTIVITIES		
Loans raised for working capital	7,883.68	(3,677.12)
Term Loans raised	7,008.00	6,644.00
Repayment of Term Loan	–	(250.00)
Other Loans raised	1,067.95	484.60
Government Grants	976.51	1,400.01
Dividends paid (including DDT)	(9.92)	(1,228.35)
Lease Liability	(39.85)	–
Interest paid	(1,768.59)	(1,600.01)
NET FLows FROM FINANCING ACTIVITIES	15,117.79	1,773.13
Net Cash Flows during the year	(180.43)	(199.26)
Cash & cash equivalents at the beginning of the year	1,590.17	1,789.43
Cash & cash equivalents at the end of the year	1,409.74	1,590.17

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

K.K. SARDANA
Managing Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 12th June, 2020

DIRECTORS [MANJOO SARDANA
RANBIR SINGH SEEHRA
VIKAS UPPAL



NOTES

Forming part of the consolidated financial statements for the year ended 31st March, 2020.

1. CORPORATE INFORMATION

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

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

The Company is listed on Bombay Stock Exchange Ltd. (BSE). The standalone financial statements for the year ended March 31, 2020 were approved by the Board of Directors on 12th June, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of Consolidated Financial Statement

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

(c) Property, Plant and Equipment

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

- (i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013 : Buildings - 3 to 60 years, Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.



(d) Intangible assets

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

(e) Investments

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

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

(f) Investment Property

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

(g) Financial Instruments

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

(h) Inventories

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

(i) Cash and Cash Equivalents

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

(j) Income Tax and Deferred Tax

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

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

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



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

(k) Lease assets

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

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

(l) Use of Estimates

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

(m) Recognition of Income and Expenses

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

(n) Government subsidy / Grants

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

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



(o) Employee Benefits

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

(p) Research and Development Expenditure

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

(q) Foreign Currency Transaction

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

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

(r) Impairment

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

(s) Borrowing Cost

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

(t) Provisions, Contingent Liability and Contingent Assets

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

(u) Earnings Per Share

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

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2020											Amount (₹ Lacs)	
NOTE : 3	TANGIBLE ASSETS					INTANGIBLE ASSETS						
	ASSETS	LAND	RIGHT TO USE ASSET (LAND)	BUILDING & FIXTURE	FURNITURE & FIXTURE	PLANT & MACHIN-ERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL ASSETS	PREVIOUS YEAR
COST												
	Cost as on 1.4.2019	1,451.83	--	8,506.89	300.09	24,266.79	1,144.25	414.27	36,084.11	38.81	36,122.92	33,685.08
	Additions	94.62	1,065.05	275.90	7.35	594.50	48.90	13.26	2,099.57	3.00	2,102.57	2,472.69
	Sale/Adjustments	--	--	--	--	80.12	--	--	80.12	--	80.12	34.85
	Total as on 31.3.2020	1,546.45	1,065.05	8,782.78	307.43	24,781.18	1,193.15	427.53	38,103.56	41.81	38,145.37	36,122.92
DEPRECIATION												
	Upto 31.3.2019	--	--	3,480.49	247.90	8,817.94	894.85	363.58	13,804.75	31.94	13,836.69	12,571.21
	For the Year	--	32.05	434.56	17.12	876.78	55.99	21.69	1,438.19	2.77	1,440.96	1,287.86
	On Sale/Adjustments	--	--	--	--	19.43	--	--	19.43	--	19.43	22.38
	Upto 31.3.2020	--	32.05	3,915.05	265.02	9,675.29	950.84	385.26	15,223.51	34.71	15,258.22	13,836.69
NET VALUE												
	As at 31.3.2020	1,546.45	1,033.00	4,867.74	42.42	15,105.88	242.31	42.26	22,880.05	7.10	22,887.15	22,286.23



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
NON CURRENT ASSETS		
4. CAPITAL WORK-IN-PROGRESS		
Building under consturction	7,382.34	4,602.36
Machinery under Errection	17,820.04	3,638.93
Electric Installation under Errection	637.01	317.32
Advances for Work in progress	568.66	4,121.08
Furniture/Fixtures	1.90	1.64
Pre-operative Expenses	1,783.47	143.52
	<u>28,193.42</u>	<u>12,824.85</u>
5. INVESTMENT PROPERTY		
Land	1,636.67	1,636.67
Advances against Purchase of Property	436.70	442.98
	<u>2,073.37</u>	<u>2,079.65</u>
Market Value of Investment Property ₹ 2,241.25 lacs (P.Y. ₹ 2,241.25 lacs)		
FINANCIAL ASSETS		
6. INVESTMENTS		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN DEBENTURES / BONDS (QUOTED)		
Tata Capital Ltd.	–	100.53
Nil Non-Convertible Secured Debentures (Prev. Year 20 deb. of ₹ 5,00,000/- each)		
	<u>0.73</u>	<u>101.26</u>
Aggregate Amount of Unquoted Investments - ₹ 0.73 lacs (P.Y. ₹ 0.73 lacs)		
Aggregate Amount of Quoted Investments - ₹ Nil (P.Y. ₹ 100.53 lacs)		
7. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security / Other Deposits	295.31	256.83
	<u>295.31</u>	<u>256.83</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
CURRENT ASSETS		
8. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	9876.30	1,745.20
Stock in Process (at cost or net realisable value whichever is lower)	880.07	618.27
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	3063.37	1,121.79
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1380.46	1,866.83
Loose Tools (at cost or net realisable value whichever is lower)	23.70	19.55
	<u>15223.90</u>	<u>5,371.64</u>
FINANCIAL ASSETS		
9. INVESTMENTS		
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED :		
(i) Baroda Short Term Bond Fund Nil units (Prev. Year 5371040.968 units)	–	1,106.85
(ii) HDFC Banking and PSU Debt Fund 4590642.353 units (Prev. Year 12661389.651 units)	772.61	1,929.24
(iii) HDFC Ultra Short Term Fund Nil units (Prev. Year 15535617.090 units)	–	1,627.26
(iv) HDFC Credit Risk Debt Fund Nil units (Prev. Year 7394777.650 units)	–	1,177.15
(v) Baroda Pioneer Liquid Fund Nil units (Prev. Year 44216.579 units)	–	937.07
(vi) UTI Credit Risk Fund Nil units (Prev. Year 2021113.903 units)	–	338.06
(vii) SBI Credit Risk Fund Nil units (Prev. Year 406226.642 units)	–	121.33
	<u>772.61</u>	<u>7,236.96</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
INVESTMENT IN BONDS/DEBENTURES QUOTED : (AT COST)		
(i) National Highway Authority of India Nil Bonds (Prev. Year 2472 Bonds)	-	25.80
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb. of ₹. 10,00,000/- each)	314.95	309.68
	<u>314.95</u>	<u>335.48</u>
	<u>1,087.56</u>	<u>7,572.43</u>
Aggregate Amount of Un-Quoted Investments - ₹ 772.61 lacs (P.Y. ₹ 7,236.96 lacs)		
Aggregate Amount of Quoted Investments - ₹ 314.95 lacs (P.Y. ₹ 335.48 lacs)		
10. TRADE RECEIVABLES		
Considered Good	5,473.91	6,086.71
Considered Doubtful	341.43	316.21
	<u>5,815.34</u>	<u>6,402.92</u>
Less : Provision for Doubtful debts	275.04	234.14
	<u>5,540.30</u>	<u>6,168.78</u>
11. CASH AND CASH EQUIVALENTS		
Cash in Hand	29.27	27.93
Balance with Scheduled Banks in Current Accounts	330.04	692.61
	<u>359.31</u>	<u>720.54</u>
12. BANK BALANCES		
Balance with Scheduled Banks in Unclaimed Divident Accounts	84.22	94.14
Margin Money Accounts (*)	161.27	155.34
Fixed Deposit Accounts (**)	804.94	620.15
	<u>1,050.43</u>	<u>869.63</u>
(*) Include Balances of ₹ 52.39 lacs (P.Y. ₹ 75.80 lacs) with the maturity of more than one year.		
(**) Include Balances of ₹ 10.00 lacs (P.Y. ₹ 10.00 lacs) with the maturity of more than one year.		
13. OTHER FINANCIAL ASSETS		
Unsecured - Considered Good Recoverable in cash or kind or for value to be received	2,654.54	733.45
Other Advances	146.19	127.11
	<u>2,800.73</u>	<u>860.56</u>

(*) Include ₹ 9.71 lacs (P.Y. ₹ 12.83 lacs) as Advances to Sundry Suppliers for purchase of materials.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
14. INCOME TAX ASSETS (NET)		
Income Tax in advance	4,655.12	-
Less : Provision for Tax	4,404.22	-
	<u>250.90</u>	<u>-</u>
15. OTHER CURRENT ASSETS		
Prepaid Expenses	75.16	80.63
Interest & Other recoverables	132.35	110.67
	<u>207.51</u>	<u>191.30</u>
EQUITY		
16. EQUITY SHARE CAPITAL		
Authorised		
150,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,000.00
Issued, Subscribed & Paid up	1,475.96	1,475.96
1,47,59,640 Equity Shares of Rs. 10/- each fully paid up	<u>1,475.96</u>	<u>1,475.96</u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2020		As on 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Smt. Manjoo Sardana	14,84,947	10.06	3,39,000	2.30
Sh. Inder Krishan Sardana	-	-	11,66,466	7.90
Sh. Kuldip Krishan Sardana	13,19,909	8.94	12,83,900	8.70
Sh. Dhiraj Sardana	8,71,362	5.90	8,67,662	5.88
Sh. Bhavdeep Sardana	8,65,782	5.87	8,62,282	5.84
Sh. Puneet Sardana	8,63,816	5.85	8,60,316	5.83
Sh. Pankaj Sardana	8,67,194	5.88	8,63,694	5.85

17. OTHER EQUITY RESERVES & SURPLUS

A. CAPITAL SUBSIDY	417.81	417.81
B. GENERAL RESERVE		
Opening Balance	24,246.35	22,397.19
Less : Utilized for issue of Bonus Issue	-	650.84
Add : Transferred from Profit & Loss Account	2,500.00	2,500.00
	<u>26,746.35</u>	<u>24,246.35</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
C. PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	1,992.56	1,577.38
Add : Profit for the year	<u>3,313.60</u>	<u>4,160.73</u>
	5,306.16	5,738.11
Less : Appropriations/Payments :		
(a) Interim Dividend	–	479.69
(b) Final Dividend	–	553.49
(c) Corporate tax on dividend	–	212.37
(d) Transferred to General Reserve	<u>2,500.00</u>	<u>2,500.00</u>
Surplus Carried Forward	2,806.16	1,992.56
D. OTHER COMPREHENSIVE INCOME		
Opening balance	197.69	114.25
(a) Remeasurement of defined employee benefit plans	(11.60)	(8.52)
(b) Net change in fair value of investments other than equity	21.14	158.32
(c) Item reclassified to P & L	<u>(193.24)</u>	<u>(66.36)</u>
	13.99	197.69
	<u>29,984.31</u>	<u>26,854.41</u>

LIABILITIES

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

18. BORROWINGS

SECURED LOANS - TERM LOAN FROM BANKS

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

1,205.00

–

From HDFC Bank Ltd. - Secured against Hypothecation of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit and collaterally secured against Hypothecation of Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit (The Term Loan is repayable in twenty equal quarterly installments. First Installment due from September, 2020.)

6,375.00

3,344.00



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
From Yes Bank Ltd. - Secured against all current & movable fixed assets of Mega Food Park (The Term Loan is repayable in twenty equal quarterly installments. First installment due from July, 2020)	3,400.00	3,500.00
From Citi Bank NA - Secured against charge on land located at G.T. Road, Phagwara (Repayable during FY 2021-22)	2,500.00	2,500.00
UNSECURED LOANS		
Fixed Deposits (includes ₹ 5,77,42,000/- from Directors, previous year ₹ 3,30,45,000/-) (Maturity Period Ranging from 1 to 3 years)	5,908.37	5,430.40
	<u>19,388.37</u>	<u>14,774.40</u>
19. DEFERRED TAX LIABILITIES (NET)		
As per Last Balance Sheet	3,157.56	2,812.38
Add/(Less) : Tax effect on OCI	(105.24)	39.83
Add/(Less) : Provision for the year on account of timing difference arising on depreciation on fixed assets as per Income Tax Act & Companies Act and on account of others provisions	(940.56)	305.35
	<u>2,111.76</u>	<u>3,157.56</u>
20. OTHER NON CURRENT LIABILITIES		
Security Deposits	689.07	378.21
Provision	407.60	406.86
Deferred Income - Govt. Grant(s)	3,677.09	2,837.73
Lease Liability	1,088.24	-
Other Long Term Liabilities	1,371.93	1,092.81
	<u>7,233.93</u>	<u>4,715.61</u>
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
21. BORROWINGS		
SECURED		
Cash Credit limits from Punjab National Bank		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	8,044.58	3,059.91
(ii) Secured against Book Debts	1,698.75	799.75
Cash Credit limits colletarally secured against Eq. mortgage of land & building of Nizamabad unit, lease rights on land of malda unit, building constructed there on the P & M and other fixed assets of the units		
Short Term Borrowings from Citi Bank NA Secured against charge on land located at G.T. Road, Phagwara	2,000.00	-
	<u>11,743.33</u>	<u>3,859.66</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
22. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	128.11	150.34
(ii) Others	2,310.60	1,324.04
Sundry creditors for Expenses	1,313.41	1,207.51
Other Creditors (**)	529.02	502.13
	<u>4,281.44</u>	<u>3,184.02</u>
(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil)		
(**) Include ₹ 128.27 lacs (P.Y. ₹ 197.80 lacs) as advance from Sundry Customers for supply of Goods.		
23. INCOME TAX LIABILITY (NET)		
Provision for Tax	–	4,284.06
Less : Income Tax in advance	–	4,191.32
	<u>–</u>	<u>92.74</u>
24. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) with in the year	2,872.00	–
Unclaimed Dividends	84.22	94.14
Taxes payable	449.84	741.53
Interest accrued but not due on Fixed Deposits	344.41	353.18
	<u>3,750.47</u>	<u>1,188.85</u>
25. REVENUE FROM OPERATIONS		
Sales		
Starches	29,845.86	26,786.46
Starch Derivatives	29,839.73	29,780.98
By-products & Misc Sales	20,230.97	17,586.19
	<u>79,916.56</u>	<u>74,153.63</u>
26. OTHER INCOME		
Interest Received	153.26	115.36
Other Income (*)	246.40	118.92
Profit/(Loss) on sale of Assets/Units	636.29	96.12
	<u>1,035.95</u>	<u>330.40</u>

(*) Include Rent Received of ₹ 5.97 lacs (P.Y. ₹ 10.99 lacs)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
27. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	1,745.20	5,381.41
Purchase of Basic Raw Material	65,384.08	39,525.69
	<u>67,129.28</u>	<u>44,907.10</u>
Less : Closing Stock of Basic Raw Material	9,876.30	1,745.20
Effective Consumption of Basic Raw Material	57,252.98	43,161.90
Other Raw Materials, Consumables & Stores	3,410.11	4,205.88
	<u>60,663.09</u>	<u>47,367.78</u>
28. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Opening Stock of Finished Goods	1,121.79	1,356.81
Opening Stock in Process	<u>618.27</u>	<u>751.47</u>
	1,740.06	2,108.28
Closing Stock of Finished Goods	3,063.37	1,121.79
Closing Stock in Process	<u>880.07</u>	<u>618.27</u>
	3,943.44	1,740.06
Change in Inventories	<u>(2,203.38)</u>	<u>368.22</u>
29. EMPLOYEE BENEFIT EXPENSES		
Wages & Salaries	4,007.87	3,996.43
Cont. to PF, ESI, Superannuation & Other Funds	289.19	291.88
Workmen & Staff Welfare	137.84	181.37
	<u>4,434.90</u>	<u>4,469.68</u>
30. FINANCE COSTS		
Interest Expense	1,768.58	1,600.01
Interest on Lease Liability	106.50	–
Other Borrowings Cost/Bank Charges	34.98	32.41
	<u>1,910.06</u>	<u>1,632.42</u>
31. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel & Others	8,090.72	9,016.75
Machinery Repair	369.80	396.61
Building Repair	<u>86.05</u>	<u>128.23</u>
	8,546.57	9,541.59



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

	AS ON 31.03.2020 (₹ LACS)	AS ON 31.03.2019 (₹ LACS)
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	16.05	16.85
Professional/Legal Expenses	93.99	83.25
Directors' Fee	2.20	2.32
Travelling Expenses	142.31	154.82
Auditors' Remuneration	8.43	6.78
Rent Paid	30.29	62.54
Electricity & Water Charges	37.01	39.16
Entertainment	4.91	3.59
Postage & Telephones	20.52	27.96
Advertisement	18.65	14.37
Subscription	27.11	26.14
General Charges	21.49	17.52
Insurance Expenses	60.90	61.14
Other Repairs & Maintenance	62.72	78.83
Commission & Brokerage	559.94	544.97
Provision for Bad debts/written off	46.23	79.40
Other Govt. Taxes, Levies & Fees	111.76	50.55
Directors' Commission	31.77	130.07
Charity & Donation	88.10	81.77
Carriage & Forwarding Charges	1,507.16	1,728.36
	2,891.54	3,210.40
	11,438.11	12,751.99



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

32. Figures for the previous year have been recast / regrouped wherever necessary.
33. Contingent Liabilities not provided for include :
- (a) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹11.32 Crores (Previous Year ₹ 8.44 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade/ vendors for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee(s) of ₹ 40 crores to Yes Bank Ltd. and ₹ 20 crores to Citi Bank N.A. for availing the Term Loan(s) by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.
- (b) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.27 Crores. The amount mainly includes as under :
- ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The demand is totally baseless and without any substance, as the company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Ludhiana.
 - Other items related to a demand of ₹ 0.53 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner.
 - ₹ 2.81 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh.
- (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 28.25 Crores (Previous year ₹ 58.50 Crores)
- (d) Export obligation pending to be fulfilled is ₹ 60.10 Crores (Previous year NIL) 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\$ 1.87 lacs during the year under reference (Previous year US\$ 11.70 lacs).

	2019-20 (₹ Lacs)	2018-19 (₹ Lacs)
34. Earnings per share :		
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	3,313.04	4,160.69
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,47,59,640	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	22.45	28.19
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	22.45	28.19
35. Managerial Remuneration paid/payable to the Executive Directors		
Executive Directors :		
(i) Salaries	119.67	207.22
(ii) Commission	13.30	65.04
(iii) Contribution to retirement benefit funds	9.47	15.51
(iv) Perquisites	17.47	39.65



36. Related Party Disclosures
Transactions entered during the F.Y. 2019-20 (P.Y. 2018-19)

		Rent & Dev. Charges Paid	Rent Received	On account of Purchase of Machinery & other items	On account of Sales of Store items & Scrap etc.	Remuneration Paid	Retirement Benefits Paid	Commission on Profits Paid	Sitting Fee Paid	Fixed Deposit Received	Fixed Deposit Repaid	Interest on Fixed Deposits Paid
(Rs. Lacs)												
A. Subsidiaries :												
1.	Sukhjit Mega Food Park & Infra Ltd.	104.76 (95.24)	-	-	69.11 (8.65)	-	-	-	-	-	-	-
2.	The Vijay Steel & General Mills Co. Ltd.	-	0.06 (0.06)	190.81 (61.65)	11.56 (1.89)	-	-	-	-	-	-	-
B. Directors & KMPs												
1	Smt. Manjoo Sardana, Non Executive Chairperson	-	-	-	-	-	-	2.96 (Nil)	0.27 (Nil)	380.06 (21.91)	82.71 (16.25)	20.14 (1.18)
2	Sh. Kuldip Krishan Sardana, Managing Director	-	5.46 (5.43)	-	-	86.70 (92.40)	6.56 (6.50)	13.30 (32.52)	-	2.01 (113.45)	74.51 (40.00)	11.27 (13.36)
3	Sh. Madan Gopal Sharma, Executive Director (Fin.) & C.F.O.	-	-	-	-	39.02 (46.20)	2.38 (2.42)	-	-	8.00 (8.00)	-	3.21 (2.33)
4	Sh. Vinod Pal Kapahi, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (10.84)	0.36 (0.45)	-	-	-
5	Sh. Ranbir Singh Seehra, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (Nil)	0.36 (Nil)	-	-	-
6	Smt. Ruby Aggarwal, Non Executive - Independent Director	-	-	-	-	-	-	4.43 (Nil)	0.18 (Nil)	8.79 (2.28)	Nil (8.86)	10.27 (10.00)
7	Smt. Shalini Chablani, Non Executive Director	-	-	-	-	-	-	1.11 (Nil)	0.09 (Nil)	-	-	-
8	Sh. Vikas Uppal, Non Executive Director	-	-	-	-	-	-	1.11 (Nil)	0.09 (Nil)	-	-	-
9	Sh. Aman Setia, Vice President (Finance) & Company Secretary	-	-	-	-	29.44 (27.86)	3.05 (2.72)	-	-	-	-	-



(Rs. Lacs)											
	Rent & Dev. Charges Paid	Rent Received	On account of Purchase of Machinery & other items	On account of Sales of Store items & Srap etc.	Remun-eration Paid	Retirement Benefits Paid	Commission on Profits Paid	Sitting Fee Paid	Fixed Deposit Received	Fixed Deposit Repaid	Interest on Fixed Deposits Paid
C. Relatives of Directors & KMPs :											
Sh. DhiraJ Sardana	6.00 (6.00)	-	-	-	60.35 (55.17)	7.50 (6.93)	-	-	6.73 (54.30)	10.00 (44.58)	0.34 (0.21)
Sh. Pankaj Sardana	6.00 (6.00)	-	-	-	59.02 (52.83)	6.92 (6.24)	-	-	16.33 (57.37)	9.00 (53.58)	1.15 (0.62)
Ms. Rohini Sardana	-	-	-	-	-	-	-	-	0.78 (3.95)	-	1.74 (1.48)
Master Veer Partap Sardana	-	-	-	-	-	-	-	-	7.43 (6.56)	-	2.40 (1.79)
Master Uday Partap Sardana	-	-	-	-	-	-	-	-	0.84 (Nil)	-	0.13 (0.10)
I K Sardana (HUF)	-	-	-	-	-	-	-	-	2.33 (18.25)	25.02 (Nil)	2.35 (1.80)
Smt. Suman Sardana	-	-	-	-	-	-	-	-	13.85 (24.69)	2.50 (Nil)	12.73 (11.02)
Sh. Bhavdeep Sardana	6.00 (6.00)	-	-	-	52.67 (53.29)	7.50 (6.94)	-	-	0.08 (49.39)	10.00 (57.87)	0.09 (0.48)
Sh. Puneet Sardana	6.00 (6.00)	-	-	-	50.18 (49.51)	6.92 (6.24)	-	-	0.08 (56.39)	12.89 (52.50)	0.12 (0.67)
Smt. Ravi Chowdhry	-	-	-	-	-	-	-	-	93.16 (58.38)	32.75 (185.36)	5.89 (4.85)
Smt. Dipti Sardana	-	-	-	-	-	-	-	-	3.91 (3.23)	3.00 (1.50)	1.06 (0.96)
Smt. Sona Sardana	-	-	-	-	-	-	-	-	0.04 (.03)	-	0.05 (0.04)
Ms. Kudrat Sardana	-	-	-	-	-	-	-	-	0.64 (1.06)	-	0.53 (0.46)
Ms. Lavanya Sardana	-	-	-	-	-	-	-	-	0.57 (1.00)	-	0.12 (0.06)
Ms. Tejasvi Sardana	-	-	-	-	-	-	-	-	0.65 (1.54)	-	0.30 (0.21)
Master Himaksh Sardana	-	-	-	-	-	-	-	-	0.45 (0.44)	0.97 (Nil)	0.49 (0.49)
Master Himmat Sardana	-	-	-	-	-	-	-	-	0.50 (0.43)	0.96 (Nil)	0.53 (0.50)
K K Sardana (HUF)	-	-	-	-	-	-	-	-	11.27 (27.90)	3.36 (Nil)	11.72 (10.06)
Smt. Uma Sharma	-	-	-	-	-	-	-	-	0.90 (0.78)	-	1.69 (1.52)
Sh. B D Vashisth	-	-	-	-	-	-	-	-	29.55 (2.19)	1.50 (Nil)	7.09 (6.47)
Sh. Sandeep Sharma	-	-	-	-	-	-	-	-	3.81 (Nil)	-	2.24 (2.11)
Smt. Shakuntla Sankhyan	-	-	-	-	-	-	-	-	2.66 (Nil)	-	1.40 (1.29)
Smt. Amarjit Kapahi	-	-	-	-	-	-	-	-	5.40 (7.50)	-	3.05 (2.60)
Ms. Anjali Aggarwal	-	-	-	-	-	-	-	-	0.40 (0.40)	-	0.48 (0.45)
Ms. Ashima Aggarwal	-	-	-	-	-	-	-	-	0.40 (0.40)	-	0.48 (0.45)
Smt. Archana Jain	-	-	-	-	-	-	-	-	32.31 (16.82)	-	23.54 (22.08)
Smt. Anjana Bansal	-	-	-	-	-	-	-	-	11.84 (14.18)	-	26.96 (26.29)
Smt. Mamta Aggarwal	-	-	-	-	-	-	-	-	7.66 (1.45)	-	20.14 (18.22)
Smt. Anita Aggarwal	-	-	-	-	-	-	-	-	11.30 (17.19)	-	30.52 (29.57)
Sh. GD Setia	-	-	-	-	-	-	-	-	0.87 (Nil)	-	1.47 (1.35)
Smt. Pooja Setia	-	-	-	-	-	-	-	-	0.27 (Nil)	-	0.11 (0.10)
Aman Setia (HUF)	-	-	-	-	-	-	-	-	-	-	0.22 (0.20)



Related Party Disclosures
Balance Outstanding - as on 31st March, 2020 (P.Y. 31st March, 2019)

(Rs. Lacs)

	Amount Receivable	Remuneration Payable	Commission on Profits Payable	Fixed Deposit Payable	Interest on Fixed Deposits Payable
A. Subsidiaries :					
1. Sukhjit Mega Food Park & Infra Ltd.	27.89 (106.48)	-	-	-	-
2. The Vijoy Steel & General Mills Co. Ltd.	16.62 (66.23)	-	-	-	-
3. Scott Industries Ltd.	211.81 (211.48)	-	-	-	-
B. Directors & KMPs					
1. Smt. Manjoo Sardana, Non Executive Chairperson		-	2.96 (Nil)	308.01 (11.86)	18.03 (0.35)
2. Sh. Kuldip Krishan Sardana, Managing Director		3.03 (5.31)	13.30 (32.52)	109.81 (182.31)	6.99 (9.52)
3. Sh. Madan Gopal Sharma, Executive Director (Fin.) & C.F.O.		6.94 (4.51)	-	39.50 (31.50)	1.47 (1.11)
4. Sh. Vinod Pal Kapahi, Non Executive - Independent Director		-	4.43 (10.84)	-	-
5. Sh. Ranbir Singh Seehra, Non Executive - Independent Director		-	4.43 (Nil)	-	-
6. Smt. Ruby Aggarwal, Non Executive - Independent Director		-	4.43 (Nil)	120.10 (111.31)	6.14 (5.69)
7. Smt. Shalini Chablani, Non Executive Director		-	1.11 (Nil)	-	-
8. Sh. Vikas Upplal, Non Executive Director		-	1.11 (Nil)	-	-
9. Sh. Aman Setia, Vice President (Finance) & Company Secretary		1.55 (3.20)	-	-	-
C. Relatives of Directors & KMPs :					
Sh. Dhiraj Sardana		1.16 (1.79)	-	9.73 (13.00)	0.09 (0.14)
Sh. Pankaj Sardana		0.59 (1.42)	-	23.83 (16.50)	0.57 (0.19)
Ms. Rohini Sardana		-	-	19.71 (18.93)	1.07 (0.90)
Master Veer Partap Sardana		-	-	31.24 (23.81)	1.10 (0.81)
Master Uday Partap Sardana		-	-	1.91 (1.07)	0.06 (0.12)
I K Sardana (HUF)		-	-	9.56 (32.25)	0.28 (1.46)
Smt. Suman Sardana		-	-	139.19 (127.84)	8.60 (11.01)
Sh. Bhavdeep Sardana		1.61 (2.10)	-	1.08 (11.00)	0.01 (0.11)
Sh. Puneet Sardana		4.16 (1.18)	-	1.08 (13.89)	0.07 (0.41)
Smt. Ravi Chowdhry		-	-	98.79 (38.38)	3.76 (0.42)
Smt. Dipti Sardana		-	-	12.53 (11.62)	0.92 (0.38)
Smt. Sona Sardana		-	-	0.57 (0.53)	0.04 (0.00)
Ms. Kudrat Sardana		-	-	6.20 (6.73)	0.35 (0.51)
Ms. Lavanya Sardana		-	-	1.71 (1.14)	0.12 (0.07)
Ms. Tejasvi Sardana		-	-	3.56 (2.91)	0.35 (0.23)
Master Himaksh Sardana		-	-	5.18 (5.70)	0.26 (0.27)
Master Himmat Sardana		-	-	5.56 (6.02)	0.28 (0.30)
K K Sardana (HUF)		-	-	134.67 (126.76)	7.78 (8.61)
Smt. Uma Sharma		-	-	18.33 (17.43)	1.33 (0.77)
Sh. B D Vashisth		-	-	93.90 (65.85)	3.28 (5.75)
Sh. Sandeep Sharma		-	-	26.31 (22.50)	0.41 (2.66)
Smt. Shakuntla Sankhyan		-	-	15.84 (13.18)	0.71 (1.89)
Smt. Amarjit Kapahi		-	-	32.40 (27.00)	2.88 (5.20)
Ms. Anjali Aggarwal		-	-	5.53 (5.13)	0.31 (0.29)
Ms. Ashima Aggarwal		-	-	5.53 (5.13)	0.31 (0.29)
Smt. Archana Jain		-	-	273.46 (241.15)	13.77 (12.79)
Smt. Anjana Bansal		-	-	312.62 (300.78)	15.90 (15.23)
Smt. Mamta Aggarwal		-	-	194.62 (216.53)	9.87 (11.23)
Smt. Anita Aggarwal		-	-	355.05 (343.75)	15.08 (14.76)
Sh. G D Setia		-	-	13.87 (13.00)	2.55 (2.10)
Smt. Pooja Setia		-	-	1.27 (1.00)	0.01 (0.19)
Aman Setia (HUF)		-	-	2.00 (2.00)	0.53 (0.31)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	101.92	32,065.30	101.10	3,350.26
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.00)	(0.19)	0.44	14.62
– Scott Industries Ltd.	(1.72)	(542.32)	(0.63)	(21.04)
– Sukhjit Mega Food Park & Infra Ltd.	(0.20)	(62.51)	(0.91)	(30.23)
Minority Interest in all subsidiaries/ Associates		1.05		0.55

38. Segment Reporting

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

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	(Amt. in ₹ LACS)		
Particulars	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	3391.03	440.14	23.06
Reserves & Surplus / (Accumulated Losses)	(62.51)	(542.32)	(0.19)
Total Assets	12983.19	109.96	57.60
Total Liabilities	12983.19	109.96	57.60
Investments	–	–	–
Revenue from Operations	238.34	–	195.48
Profit / (Loss) before taxation	(36.45)	(21.04)	22.88
Provision for taxation - Deffered tax	6.22	–	(8.26)
Profit / (Loss) after taxation	(30.23)	(21.04)	14.62
Proposed Dividend (if any)	Nil	Nil	Nil



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

PRIMARY SEGMENT INFORMATION For the year ended March 31, 2020 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Mega Food Park		General 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 Revenue	80,524.45	74,314.56	--	--	238.34	100.19	189.72	69.28	--	--	80,952.50	74,484.03
– Internal Revenue	0.06	0.76	--	--	--	95.24	5.76	1.32	(5.82)	(97.32)	--	--
Total Revenue	80,524.51	74,315.32	--	--	238.34	195.43	195.48	70.60	(5.82)	(97.32)	80,952.50	74,484.03
2. Segment Result												
– Profit before Taxation	3,303.40	6,597.86	(21.04)	(21.13)	(36.45)	27.57	22.88	1.82	(0.02)	(0.03)	3,268.77	6,606.09
– Provision for Taxation	46.86	(2,430.00)	--	--	6.22	(14.88)	(8.26)	(0.47)	--	--	44.82	(2,445.35)
– Profit after Taxation	3,350.26	4,167.86	(21.04)	(21.13)	(30.23)	12.69	14.62	1.35	(0.02)	(0.03)	3,313.60	4,160.74
3. Segment Assets												
– Segment assets	70,956.79	53,281.66	109.96	130.60	12,983.19	7,862.03	147.18	91.56	(4,226.50)	(2,062.15)	79,970.62	59,303.70
– Segment Liabilities	36,777.65	21,223.84	212.14	211.74	9,654.68	6,683.44	124.31	83.31	(371.24)	(387.05)	46,397.54	27,815.28
– Capital Expenditure	12,231.87	6,878.61	--	--	4,165.65	5,190.24	2.14	4.52	--	--	16,399.66	12,073.37

THE SUKHJIT STARCH & CHEMICALS LIMITED

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

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

C.I.N. : L15321PB1944PLC001925

ATTENDANCE SLIP

ANNUAL GENERAL MEETING - AUGUST 13, 2020 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 13th day of August, 2020 at Blood Bank Bhawan, 1st Floor Hall, Guru Hargobind Nagar, Phagwara-144401, Distt. Kapurthala, Punjab

Member's/Proxy's Signature

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

FORM NO. MGT-11

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Thursday, August 13, 2020 at 10.00 A.M. at Blood Bank Bhawan, 1st Floor Hall, Guru Hargobind Nagar, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

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

Signed this..... day of 2020.

Signature of shareholder : _____

Signature of Proxy holder(s) : _____

Affix
Revenue
Stamp

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



PUNJAB

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**THE SUKHJIT
STARCH AND CHEMICALS
LIMITED**

EVOLVING WITH NATURE

