

The
sukhjit **STARCH & CHEMICALS LIMITED**



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

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

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Ref: SSC/VPF/BSE/2022-23/ 9244

Dt: 15/07/2022

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 78th Annual General Meeting (AGM) and Annual Report 2021-22

Dear Sir,

In compliance with Regulations 30, 34 and 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), please find enclosed the Notice convening the 78th AGM of the shareholders of the Company and the Annual Report for the financial year ended 31st March, 2022. The same is being circulated through electronic mode to all the shareholders of the Company whose E-mail addresses are registered with the Company or Depository Participant(s), in compliance with the relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI). The Notice and the Annual Report has also been made available on the Company's website at <https://www.sukhjitgroup.com/notice-of-agm> and <https://www.sukhjitgroup.com/annual-report>

Further, the facility/option to transact through Remote Electronic Voting is also being provided to the shareholders. The remote E-voting will start on Tuesday, August 9, 2022 at 9.00 A.M. and will end on Thursday, August 11, 2022 at 5.00 P.M. The cut-off date for the purpose of determining the shareholders for E-voting is August 5, 2022.

As already intimated, the Register of Members and the Share Transfer Books of the Company will remain closed from 06-08-2022 to 12-08-2022 (both days inclusive) for the purpose of holding the Annual General Meeting of the Company.

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

Thanking You,

Yours Faithfully,

For The Sukhjit Starch & Chemical Limited


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

Encl: as above

78th
Annual Report
2021-22



THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

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

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

ANNUAL REPORT & ACCOUNTS 2021-2022



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NOTICE

NOTICE is hereby given that the 78th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Friday, the 12th day of August, 2022 at 10.00 A.M. at the Registered Office of the Company at Phagwara to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Financial Statements for the year ended 31.03.2022.
2. To appoint Director in place of Sh. Kuldip Krishan Sardana (DIN: 00398376) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors by passing with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 139 and any other applicable provision of The Companies Act, 2013 read with the companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Y K Sud & Company, Chartered Accountants (FRN 000047N), be and are hereby appointed as Auditors of the company in place of the retiring auditors M/s VSAP & Associates, Chartered Accountants (who complete their term on the conclusion of this AGM u/s 139(2) of the Act) to hold office from the conclusion of this Annual General Meeting till the conclusion of the 83rd Annual General Meeting, at such remuneration, as may be mutually agreed between the Board and the Auditors."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of section 149, 152, 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), the consent of the members be & is hereby granted to the re-appointment of Smt. Shalini Umesh Chablani (DIN No. 00885883), as a Non Executive Director of the Company w.e.f. 20th January, 2023 to hold office upto 30th August, 2026".

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 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, consent of the members be and is hereby granted to increase/ revise the salary of Shri Dhiraj Sardana, Sr. Vice President & CEO Unit(s) of the Company as per particulars given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to effect such modification(s) in the remuneration of Shri Dhiraj Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Dhiraj Sardana, within the overall limits, if any, prescribed under the Act / Rules."



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

"RESOLVED THAT pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013, read with the Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, the consent of the members be and is hereby granted to increase/ revise the salary of Shri Bhavdeep Sardana, Sr. Vice President & CEO Unit(s) of the Company as per particulars given in the Explanatory Statement annexed hereto.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to effect such modification(s) in the remuneration of Shri Bhavdeep Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Bhavdeep Sardana, within the overall limits, if any, prescribed under the Act/ Rules."

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration fixed by the Board of Directors payable to the Cost Auditors for conducting the audit of cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified".

Place : Phagwara.

Dated : 8th July, 2022

By Order of the Board
Sd/-

AMAN SETIA

Vice President (Finance)
& Company Secretary

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

ITEM NO. 4

Smt. Shalini Umesh Chablani was appointed as a Non Executive Director of the Company w.e.f. 21/01/2020 for a period of 3 years, with the necessary approval of the shareholders in the General Meeting. As her existing tenure expires on 20/01/2023, the Board of Directors has recommended her re-appointment w.e.f. 20/01/2023 upto 31/08/2026. The Board requires the shareholder's approval for her re-appointment as a Non Executive Director of the Company.

Smt. Shalini Umesh Chablani is Commerce Graduate from Lady Shriram College of commerce, Delhi and has a sound professional background. She has to her credit diverse corporate exposure and commercial expertise / skills in various fields. She is a Director of Tea-Ma Consortium India Ltd. & Britannia Sales & Services Pvt. Ltd. Her continuance as a member of the Board will strengthen the composition of the Board. She holds 94,814 shares of the Company.

She has confirmed that she 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/ reappointed as a Director of the Company.



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 & as approved by the shareholders in consonance with the provisions of the Companies Act, 2013 read with rules made thereunder as amended from time to time.

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

ITEM NO. 5

Shri Dhiraj Sardana was appointed as Vice President (Operations) of Malda Unit of the Company with effect from 1/4/2005 & his appointment was duly approved by the Shareholders in the Annual General Meeting as per provisions of section 314 of The Companies Act, 1956.

Shri Dhiraj Sardana is B.B.A. in Business & Finance from a leading University of U.K. At Malda he strongly improved the Management functions of the Unit raising its productivity, efficiency and profitability considerably. Presently, he is involved in the development of the export market and is looking after the exports of the company's products from all units of the Company. He is also looking after the commercial functions of the company including sourcing of imported machinery & stores / consumables, required from time to time for the modernisation of the units of the company. He has played a key role in the successful commissioning and operationalization of the new maize processing facility of the Company, set up at Phagwara in the state of Punjab. Further, he is also a member of the Board of Directors of The Sukhjit Mega Food Park & Infra Ltd., which is a wholly owned subsidiary of the Company and does not draw any remuneration from the subsidiary.

His salary was last revised in the pay scale of ₹ 2,50,000/- to ₹ 5,00,000/- p.m. (with annual increment as the Board may deem fit as per the rules of the Company) with usual perks as applicable to Senior Executives of the Company with due approval of the shareholders in the Annual General Meeting held on 29/07/2014. Since then, the operations of the Company have increased substantially and his present salary does not commensurate with the level of responsibilities being shouldered by him. The approval of shareholders is required under the provisions of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 for upward revision in his salary. The Board, therefore, in the overall interest and future growth of the Company, recommends the revision in his remuneration as under :

- I) Salary / allowances in the pay scale of ₹ 5,00,000/- to ₹ 15,00,000/- p.m. (with annual increment as the Board may deem fit as per the rules of the Company),
- II) Variable incentives / commission, as may be decided by the Board of Directors of the Company from time to time, subject to a maximum of half percent of the net profits,
- III) Usual perks as applicable to other Senior Executives of his level i.e. :
 1. Free accommodation with reasonable furnishing as per rules of the company.
 2. Benefits of Provident Fund, Superannuation fund and group gratuity scheme as per rules of the company from time to time.
 3. Facilities of medical re-imbursement, leave travel assistance and company's car, telephone subject to a condition that cost of personal journey and personal telephone calls will be recoverable from him on an actual basis. Any change in the terms may be made as agreed to by the Board of Directors and Shri Dhiraj Sardana.
 4. Personal accident insurance and mediclaim insurance policies as per rules of the company.

None of the Directors except Smt. Manjoo Sardana, being mother of Shri Dhiraj Sardana is concerned or interested in the resolution.



ITEM NO. 6

Shri Bhavdeep Sardana was appointed as Vice President (Operations) of Nizamabad Unit of the Company with effect from 1/1/2005 & his appointment was duly approved by the Shareholders in the Annual General Meeting as per provisions of section 314 of The Companies Act, 1956.

Shri Bhavdeep Sardana is Master's in Business Administration from Durham University (UK) and Bachelors in Science (Hons) in Chemistry with Chemical Engineering, Northumbria University (UK). At Nizamabad, he played a vital role in improving the productivity & efficiency of the plant, while working as Vice President (Operations) of the Unit and thereafter, he played a key role in the commissioning and successful running of Gurplah Unit of the Company. He actively contributed in setting up the new maize processing unit & the Mega Food Park at Phagwara in the state of Punjab including obtaining the statutory permissions from various Government Departments and the Ministry of Food Processing Industries, Government of India. He looks after operational & commercial functions of the units including the sales of Company's products to big corporates & MNCs. Further, he is also a member of the Board of Directors of The Sukhjit Mega Food Park & Infra Ltd., which is a wholly owned subsidiary of the Company and does not draw any remuneration from the subsidiary. He is former chairman of CII (Punjab) and has remained a member of the Punjab Planning Board under the Chairmanship of Hon'ble Chief Minister Punjab besides being a member of other State Government bodies.

His salary was last revised in the pay scale of ₹ 2,50,000/- to ₹ 5,00,000/- p.m. (with annual increment as the Board may deem fit as per the rules of the Company) with usual perks as applicable to Senior Executives of the Company with due approval of the shareholders in the Annual General Meeting held on 29/07/2014. Since then, the operations of the Company have increased substantially and his present salary does not commensurate with the level of responsibilities being shouldered by him.

The approval of shareholders is required under the provisions of section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 for upward revision in his salary. The Board, therefore, in the overall interest and future growth of the Company, recommends the revision in his remuneration as under :

- I) Salary/ allowances in the pay scale of ₹ 5,00,000/- to ₹ 15,00,000/- p.m. (with annual increment as the Board may deem fit as per the rules of the Company),
- II) Variable incentives / commission, as may be decided by the Board of Directors of the Company from time to time, subject to a maximum of half percent of the net profits,
- III) Usual perks as applicable to other Senior Executives of his level i.e. :
 1. Free accommodation with reasonable furnishing as per rules of the company.
 2. Benefits of Provident Fund, Superannuation fund and group gratuity scheme as per rules of the company from time to time.
 3. Facilities of medical re-imbursement, leave travel assistance and company's car, telephone subject to a condition that cost of personal journey and personal telephone calls will be recoverable from him on an actual basis. Any change in the terms may be made as agreed to by the Board of Directors and Shri Bhavdeep Sardana.
 4. Personal accident insurance and mediclaim insurance policies as per rules of the company.

None of the Directors except Shri K.K. Sardana, being father of Shri Bhavdeep Sardana is concerned or interested in the resolution.

ITEM NO. 7

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Khushwinder Kumar & Associates as the cost auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.



In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors i.e. Audit fee of ₹ 60,000/- plus applicable taxes and reimbursement of travelling/other out of pocket expenses (if any), for the financial year ending March 31, 2023 by passing an Ordinary Resolution as set out at Item No.7 of the Notice.

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

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND A VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Authorised Representatives of the corporate members intending to participate in the AGM pursuant to section 113 of the Act, are requested to send to the company an email at: cssukhjit@gmail.com, a certified copy of the relevant Board Resolution/ Authority Letter etc. authorizing them to attend the meeting.
3. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. In consonance with the MCA circulars/ SEBI circular dated May 12, 2020 and MCA general circular no. 02/2020 dated January 13, 2021 / SEBI circular no. 11 dated January 15, 2021, in view of COVID-19 pandemic, the notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any member has requested for a physical copy of the same. The members, who have not registered their E-mail IDs with the company are, once again, requested to kindly register / update their e-mail IDs by following the below mentioned link
<https://www.sukhjitgroup.com/email-registration>
Members may note that the said Notice and the Annual Report will also be available on the Company's website www.sukhjitgroup.com and on the website of the Bombay Stock Exchange (BSE) www.bseindia.com.
4. The details of the directors seeking appointment/re-appointment as required by Regulation 26(4) & 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed herewith marked as "Annexure1". The Board of Directors has recommended all the proposed appointments/re-appointments of the Directors.
5. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their E-mail Ids by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form, to enable the Company to serve them documents/all communications including Annual Reports, Notices, Circulars etc. in electronic form.
6. Members may please note that SEBI vide its circular dated January 25, 2022 has mandated the listed companies to issue securities in DEMAT form only while processing service requests viz issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available at company's website at <https://www.sukhjitgroup.com/>



form-isr-4 and on the website of the Skyline Financial Service Pvt. Ltd. at <https://www.skylinerta.com/>. It may be noted that any service request can be processed only after the folio is KYC complaint.

7. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer/ transmission/ transposition shall be processed only in DEMAT form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to Dematerialize the shares held by them in physical form. Members can contact the company or Skyline Financial Services Pvt. Ltd, for assistance in this regard.
8. As per the provisions of section 72 of the Act and SEBI circular, the facility for making nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting the Form SH-13 to the RTA in case of shares held in physical form. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the company's website. Members are requested to submit the said details to their DP in case the shares are held by them in DEMAT Form.
9. The Register of Members and the Share Transfer Books of the Company shall remain closed from 06.08.2022 to 12.08.2022 (both days inclusive).
10. The facility of remote E-voting is being provided to the members to cast their votes in regard to the above resolutions. The members, holding shares either in physical form or in demat form, as on the **Cut-Off date** of August 5, 2022 (end of business hours), may cast their vote by e-voting. Any person who acquires shares of the company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date for e-voting, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote-e-voting then he/she can use his/her existing user ID and password for casting the vote.
11. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-ShareTransfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
12. Members are hereby informed that, Dividends which remain unclaimed/unencashed for over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 125 of the Companies Act, 2013. Members can claim the transferred amount from IEPF Authority as per the procedure laid down under the Act & Rules thereunder.
13. Members, who have not en-cashed their dividend warrants for Interim Dividend 2015-16, 2018-19 & 2021-22 and Final Dividend for the financial year 2014-15, 2016-17, 2017-18, 2019-20, 2020-21, may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid/unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026
2019-2020	13.08.2020	12.08.2027
2020-2021	06.08.2021	05.08.2028
2021-2022 (Interim Dividend)	11.02.2022	10.02.2029



14. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Every person, who becomes the nominee under the provisions of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to notify their PANs to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PANs to the Company / RTA.
16. The Company has appointed M/s P.S. Rally & Associates, Practicing Company Secretary, Membership No. 6861, as 'Scrutinizer' for conducting and scrutinizing the e-voting process in a fair and transparent manner.

Procedure for remote E-Voting for AGM

1. The e-voting period commences on Tuesday, August 9, 2022 (9:00 am) and ends on Thursday, August 11, 2022 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the **Cut-Off date** of August 5, 2022 (end of business hours), may cast their vote by e-voting. The e-voting module will be disabled by NSDL for voting upon the expiry of the above period. **Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.**
2. The voting rights of the members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the **Cut-Off Date i.e. August 5, 2022.**
3. The Scrutinizer, after scrutinizing the votes cast at the AGM & through e-voting, will not later than 48 hours from the conclusion of the AGM, make a consolidated scrutiniser's report and submit the same to the Chairperson/Managing Director or a person authorized by him in writing. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company-www.sukhjitgroup.com and on the website of NSDL. The results shall be simultaneously communicated to the Bombay Stock Exchange.
4. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed.
5. The Company has engaged the services of M/s. National Securities Depository Limited (NSDL) as the Agency to provide e-voting facility.

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

The remote e-voting period begins on Tuesday, August 9, 2022 (9:00 a.m. IST) and ends on Thursday, August 11, 2022 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Friday, August 5, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 5, 2022.

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

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





Step 1 : Access to NSDL e-Voting system

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

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



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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see e-Voting page. Click on companyname or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. Shareholders/Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered



	Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

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

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

Login Type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. : 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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



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

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

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to parminderally@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/**



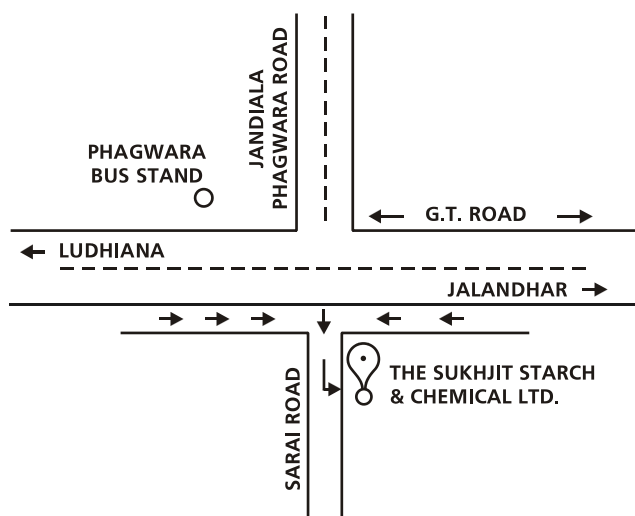
Password?" or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in or contact Manager /Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, SenapatiBapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559, who will also address the grievances connected with voting by electronic means. Members may also write to the Company Secretary at the cssukhjit@gmail.com
4. Any person who acquires shares of the company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date for e-voting, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote-e-voting then he/she can use his/her existing user ID and password for casting the vote.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to M/s Skyline Financial Services Private Limited (RTA of the Company) at parveen@skylinerta.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to M/s Skyline Financial Services Private Limited (RTA of the Company) at parveen@skylinerta.com.
3. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.
4. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
5. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Route Map to the venue of the AGM





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

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

Name of the Director	Kuldip Krishan Sardana	Shalini Umesh Chablani
DIN	00398376	00885883
Date of Birth	02.02.1948	30.07.1963
Age	74	58
Date of first appointment on the Board	01.09.1990	21.01.2020
Qualifications	B.A.	B.Com (Hons.)
Experience and Expertise	Over 50 years	Over 27 years
Number of Meetings of the Board attended during the year	10 out of 10	8 out of 10
List of Directorship of other Board	<ul style="list-style-type: none"> ● Sukhjit Mega Food Park & Infra Limited ● Scott Industries Limited 	<ul style="list-style-type: none"> ● Tea-Ma Consortium India Ltd. ● Britannia Sales & Services Pvt. Ltd.
List of Membership /Chairmanship of Committees of other Board	Members of Audit & Nomination Committee of Sukhjit Mega Food Park & Infra Limited	Member of Audit Committee of Tea-Ma Consortium India Ltd.
Shareholding in The Sukhjit Starch & Chemicals Ltd.	1481123	94814
Relationship with other directors, manager and other Key Managerial Personnel of the Company	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.

Note : The appointment of Sh. Kuldip Krishan Sardana has been made by passing 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 sections 152 of The Companies Act, 2013



MANAGING DIRECTOR'S SPEECH



Dear Fellow Shareholders,

Last year will be remembered as another year of TRANSFORMATION for mid-size old economy companies like Sukhjit Starch. We always believe that every crisis comes with the opportunity to transform and learn in this new digital world. The year gone by was also impacted by the Pandemic - its multiple waves delaying the return to a sense of normalcy for economies the world over. At the same time, the strain on the global supply chain networks led to runaway inflation and the situation has only worsened with the on-going geo-political conflict, further fracturing the supply chain stability. Through this uncertainty, what has stood out is the resilience of mankind, to look for opportunities in adversities, to innovate and address the challenges. Your Company has shown the same resilience to overcome the challenges and continues to forge ahead in its journey to be the customer's 'Partner of Choice' especially in the value added product range. In 2021-22, Sukhjit consolidated its position and advanced its Growth Roadmap to deliver solid net sales and profit growth. Three waves of Covid have left great lessons for most of the people in trade & industry. People have learnt to run the business with reduced infrastructure using lower manpower and also use the available resources more efficiently. Bounce in the post Covid results are witness to the fact that there was great learning for all of us from Covid waves.



As a part of this **Transformation Agenda**, we continue to make changes in the very way we manufacture and deliver products to all our end users.

I would like to underline one aspect of this new positioning specially. We consistently use our expertise to migrate customers in our Tier 2 and 3 cities from unorganized sector to organised where people offer international quality at Indian Prices. And I am completely pleased with the outcome of this transformation in second half numbers. This fine difference is our edge and the platform to offer more value to our customers on one hand and also to build loyalty with them in a sustainable way across Country on the other.

We have continued to invest in our business, capitalizing on key trends that are shaping the end user industry to better position ourselves for the long term. With our footprint in almost all parts of the country, we believe that a deeper penetration into the hinterland will be possible only with effective use of our capacities and world class customer service and logistics, which can ensure affordability.

To put it pithily, new products and services, driven by innovative technologies promising greater relevance and higher value, are radically transforming the way we live, behave, act, transact and work, by each passing day. The beauty of this transformation is that it is not for the high-heeled ones or the evolved ones alone, thanks to the increasing wages, even those at the bottom-of-the-pyramid are also ready to pay a small amount for **CONVENIENCE, QUALITY AND CONSISTENCY**.

Turning to our top line performance, we grew comparable net sales for the first quarter by double digits. Our operating teams actively managed the terms of our customer contracts, which enabled them to address higher corn and input costs and deliver both core sales growth and a stronger specialty mix. While the New Unit in the State of Punjab is operating at 80% capacity for starch & 85% plus capacity for some of its derivatives (high value products), the Company hopes to achieve full capacity utilization in this year. Company is seriously looking to expand capacities of maize processing at two locations where we are still working with old / low capacities commissioned 2-3 decades ago.

We firmly believe that we will be able to increase the capacity to 2000 TPD from 1600 TPD in the next two years time.

Overall global environment is quite positive for exports from the starch industry as most of its products have become competitive in the international market. Higher cost of corn in the major starch producing countries have helped the industry increase exports to many countries.

Deeper customer research always has and will continue to be our road to greater profit. The team of dedicated and enthusiastic professionals of the Sukhjit family have taken it upon themselves to focus on building a strong



bottom-line. We are hopeful to exceed the expectations of our dear shareholders who have put faith in us over the years. With our 77 years of experience I assure you that this transformation will take your company to a new phase of growth. Industry being driven out paving the way for rejuvenation and sustainable growth for those with the right credentials. Our access to local markets and new markets with a low gearing ratio is close to an ideal scenario. Our strong foundation is our core strength. I thank our valued customers, stakeholders, suppliers, business associates, shareholders, and above all, my colleagues in Sukhjit for their continuous support.

For the immediate future, the environment has turned uncertain with the economic recovery under challenge from multiple fronts. Inflation is at a multi-decade high across geographies, partly induced by the global supply chain disruptions and partly by the ultra-accommodative policies pursued by the governments and monetary authorities to pump-prime the pandemic affected economies. I again re-emphasize that the geopolitical situation is threatening to further worsen inflation across key commodities. As a result, monetary authorities are continuously tightening the money supply, hoping to squeeze out the inflationary pressures. This could hurt the demand conditions across industries. Amidst this upheaval, organisations that stay true to their core vision and fundamental character would continue to prosper, looking at every hurdle as a possibility to reinvent themselves into a partner much more relevant to their customers.

Whatever may be the industry scenario, we are always guided by our core values of Hard Work, Integrity, Teamwork and Social Commitment. Our dedication towards fulfilling social responsibilities also helps us move towards a sustainable future. I assure that your Company would be able to create value for all its stakeholders in medium to long term.

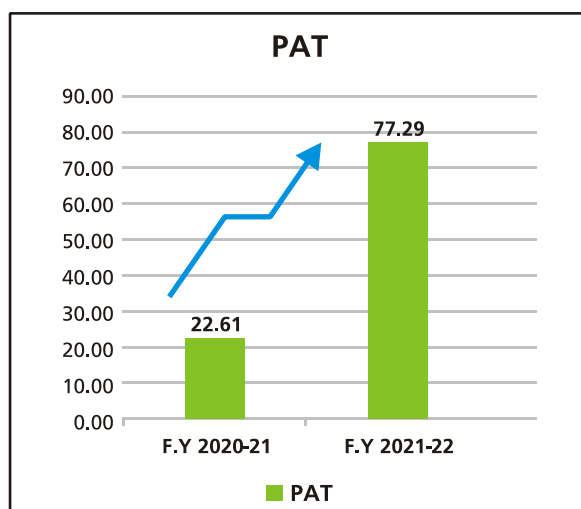
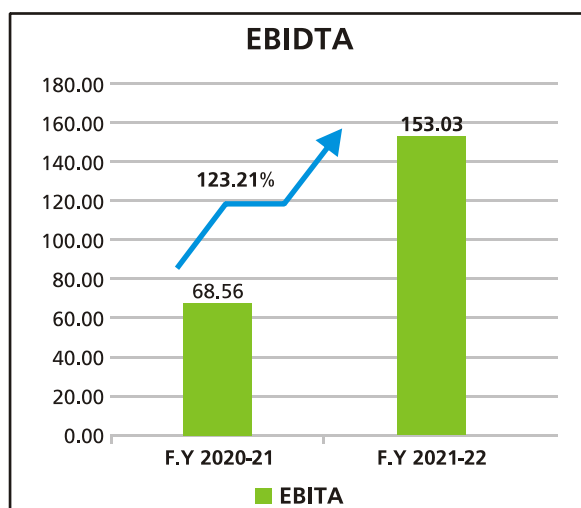
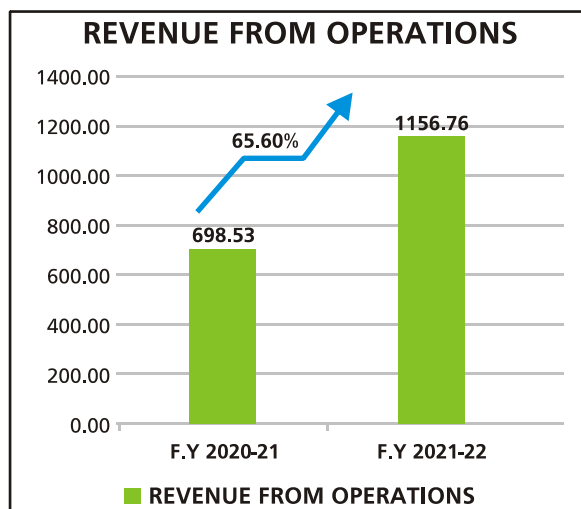
Warm Regards

K. K. Sardana



KEY PERFORMANCE AT A GLANCE

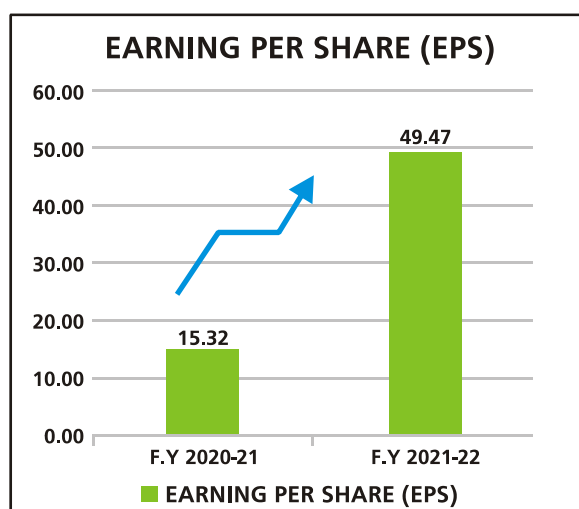
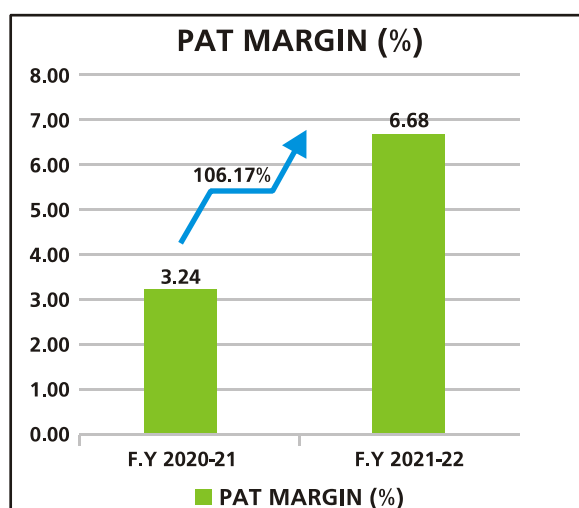
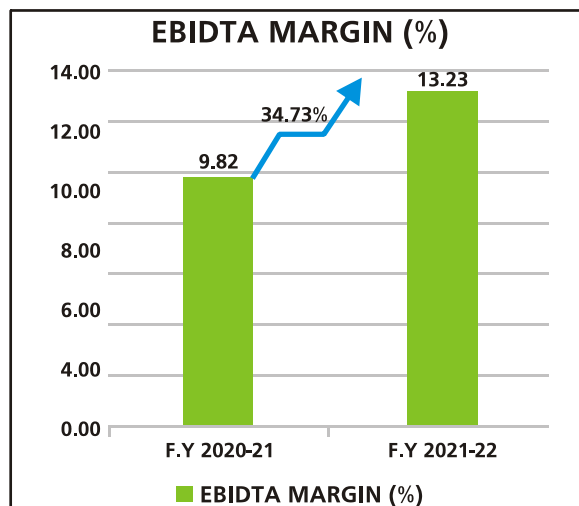
(in ₹ Crores)

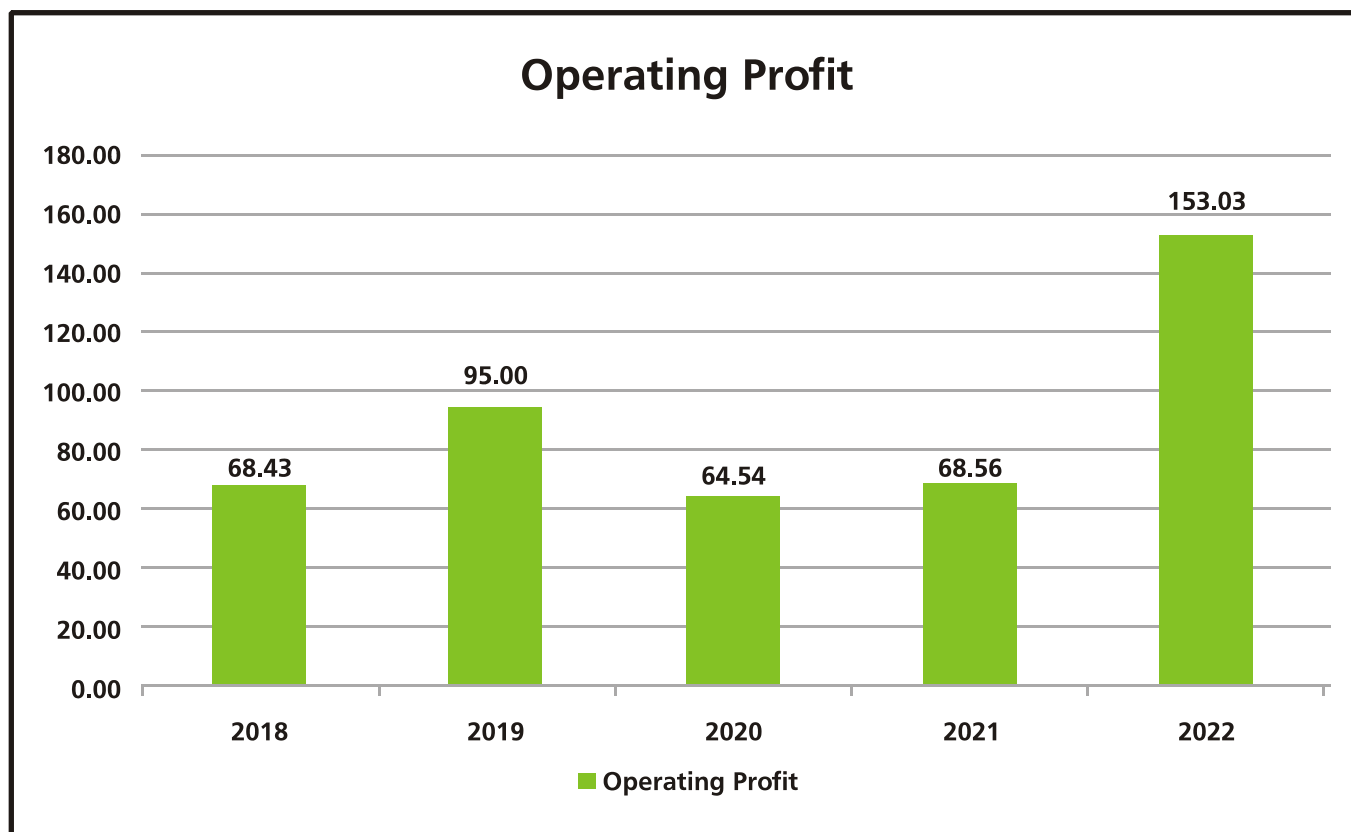
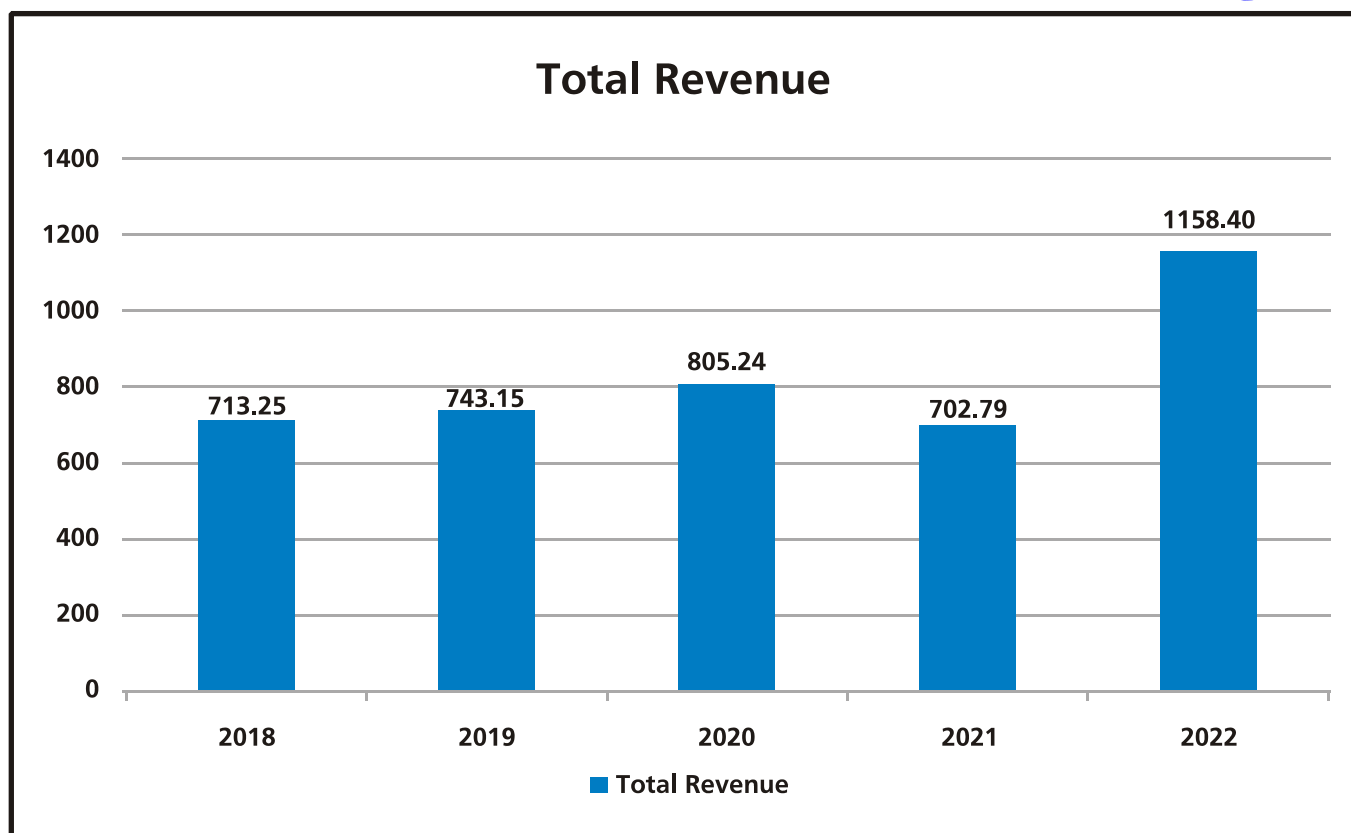


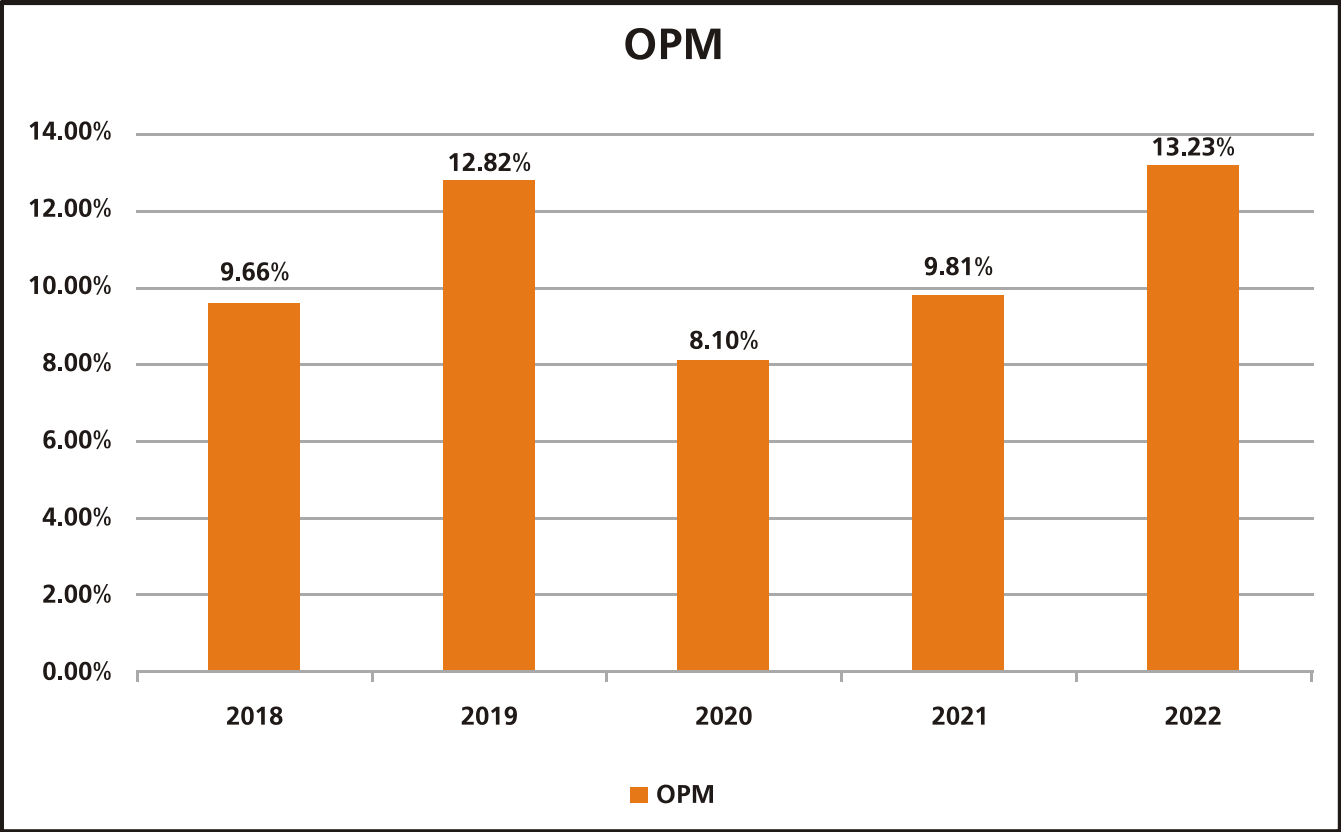
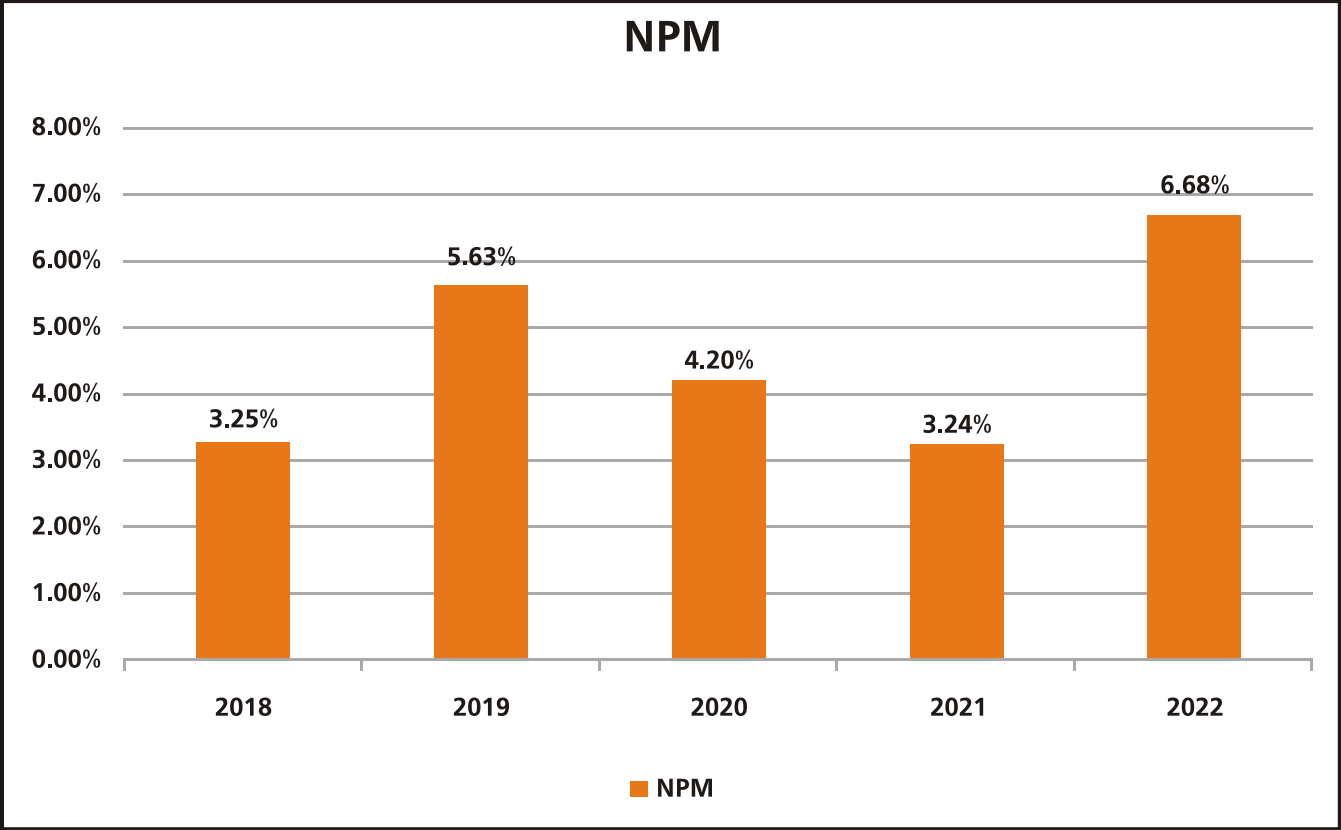


KEY PERFORMANCE AT A GLANCE

(in ₹ Crores)

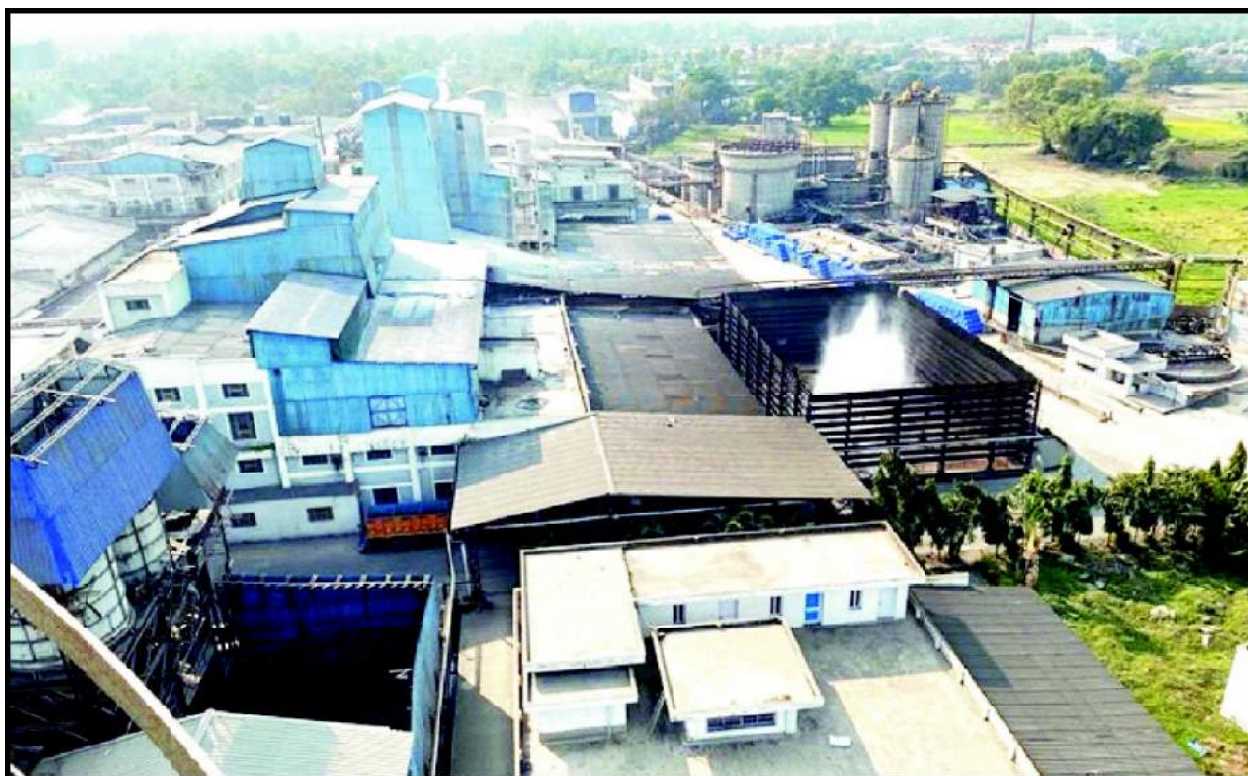








OUR MANUFACTURING PLANTS



OUR MANUFACTURING PLANTS



DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 78th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2022 :-

1. FINANCIAL RESULTS

	2021-22	2020-21
	(₹ in Crores)	(₹ in Crores)
Sales & Other income	1158.40	702.78
Earning before Interest, Tax and Depreciation	153.03	68.56
– Interest	20.88	20.58
– Depreciation	24.74	17.72
Profit before tax	107.41	30.26
– Current Tax	25.00	6.25
– Deferred Tax	2.60	1.40
– Taxes related to previous years	2.52	–
Profit After Tax	77.29	22.61
Surplus brought forward from previous year	28.78	34.12
Transfer to General Reserves	70.00	25.00
Final Dividend	4.43	2.95
Interim Dividend	14.76	–
Surplus carried forward	16.88	28.78

2. PERFORMANCE

The Company has staged a stellar recovery post Covid affected year 2020-21

- The Sales and other income of the Company have increased from ₹ 702.78 crores to ₹ 1158.40 crores to register an impressive growth of about 65%.
- The EBITA (Earnings before Interest, Tax and Depreciation) has jumped by 123% during the year under reference to ₹ 153.03 Crores from ₹ 68.56 crores previous year.
- The Net Profit after tax stood at ₹ 77.29 crores against ₹ 22.61 crores in the previous financial year after interest of ₹ 20.88 crores (₹ 20.58 crores), depreciation of ₹ 24.74 crores (₹ 17.72 crores) and tax of ₹ 30.12 crores (₹ 7.65 crores).
- The company largely owes the performance to the successful operationalization of its largest manufacturing facility commissioned at phagwara during FY 2020-21.



DIRECTORS' REPORT

3. DIVIDEND

The Company had declared and paid an interim dividend of ₹ 10/- per Equity Share of face value ₹ 10/- each (i.e. 100%) in the month of February, 2022 with an outflow of ₹ 14.76 crores against ₹ 4.43 crores on account of Final Dividend for the previous year paid in the month of August, 2021. The Board has considered the said interim dividend as the final dividend for the financial year 2021-22.

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

4. TRANSFER TO RESERVES

After payment of final dividend of ₹ 4.43 crores for the previous year and interim dividend of ₹ 14.76 crores in February, 2022, the Company was left with 86.88 crores surplus out of which ₹ 70 crores have been transferred to the general reserves (PY ₹ 25 crores) and Rs. 16.88 crores have been carried forward in the retained earnings account.

5. SHARE CAPITAL

During the year under review, the Company has issued 862360 Equity Shares @ ₹ 300/- per Equity Share of face value of ₹ 10/- each (i.e. at a premium of ₹ 290/- per Equity Share) on a preferential basis to Promoter/ Promoter Group and Non Promoter/ Public. The issue was fully subscribed with inflow of ₹ 25.87 crores i.e. ₹ 0.87 crores on account of share capital and ₹ 25.00 crores on account of share premium.

The Authorised Share Capital of the Company has increased from 15.00 crore to 20.00 crores and the Paid up Share Capital of the Company has increased from 14.75 crore to 15.62 crore during FY 21-22.

The Net worth of the Company stands at ₹ 424.79 crores on 31.03.2022 against ₹ 340.43 crores as on 31.03.2021.

6. CAPEX & WORKING CAPITAL POSITION

The total Non Current Assets of the Company stood at ₹ 507.31 crores including capital work-in progress against ₹ 484.96 crores after providing depreciation of ₹ 24.74 crores during the year (₹ 17.72 crores P.Y.). The Company has made a Cap-ex of ₹ 26.78 crores during the year mainly on account of balancing or adjusting the capacities of its new manufacturing facility. The Board of Directors has approved Cap-ex of ₹ 35 crores for the financial year 2022-23, which will be used for upgrading some key equipments of the units to ramp up the capacities of value added products. The proposed Cap-ex will be met out of the internal accruals of the company.

The Current Assets of the Company stood at ₹ 275.38 crores as compared to ₹ 221.31 crores on 31.03.2021 including Inventories at ₹ 96.05 crores on 31.03.2022 against ₹ 100.85 crores in the previous year.

The company has long term Bank Borrowings of about 50 crores payable in 2-3 years after march 2023, net of current liability of ₹ 20.09 crores payable during the running FY 2022-23.

The internal accruals of the company will be more than enough to take care of this repayment & strengthen the working capital of the company. However, company has liquid investments of ₹ 65.90 crores against ₹ 8.69 crores last year to provide an additional cushion to the liquidity of the company and the management believes that the Company has sufficient liquid resources at hand to meet up any additional working capital requirement.



DIRECTORS' REPORT

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

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2022, 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 31.03.2022, have been prepared on a 'going concern' basis;
- (e) the internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

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

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

Sukhjit Mega Food Park & Infra Ltd., Phagwara : The Company held 100% of shares in the capital of its material subsidiary Sukhjit Mega Food Park & Infra Ltd. The Company has operationalised its project of the Mega Food Park in the state of Punjab in FY 2020-21 creating a State of Art Technology Infrastructure for setting up food processing units in the Mega Food Park. The performance of the Company has improved during the year after good part of its assets have been leased out and operationalised. The Company has



DIRECTORS' REPORT

generated net cash accruals of about ₹ 5 crores during the year and expects to improve it significantly during the running year.

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

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being annexed with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2022 is annexed to the consolidated results in the Annual Report.

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

11. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

In terms of the provisions of section 197 (12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of Directors/ 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 were in receipt of remuneration over ₹ 1.02 crores p.a. if employed throughout the year or ₹ 8.5 lacs p.m. if employed for a part of the year during 2021-22 is given below :

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

Sr. No.	Name	Age	Designation (₹ Lacs)	Gross Remuneration
1.	Sh. Kuldeep Krishan Sardana	74	Managing Director w.e.f. 1st May, 2019	₹ 153.33

Qualification	Experience	Date of Joining	Last Employment/Designation held
B.A.	51	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara (Joint Managing Director)



DIRECTORS' REPORT

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

Notes:

1. The Remuneration shown above includes 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. Kuldip Krishan Sardana has not received any remuneration in form of salary, commission, allowance and sitting fees from any of its subsidiaries.
3. The information required under Section 197 (12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of directors and employees of the Company is set out in 'Annexure - C' to this Report.

12. DIRECTORS

- (a) Sh. Kuldip Krishan Sardana (DIN: 00398376), Managing Director of the Company, is retiring by rotation and being eligible, offers himself for reappointment. Board recommends his reappointment as the Managing Director of the Company.
- (b) The existing tenure of Smt. Shalini Umesh Chablani, a Non Executive Director of the Company (DIN : 00885883) expires on 20/01/2023. Smt. Shalini Umesh Chablani is Commerce Graduate from Lady Shriram College of commerce, Delhi and has a sound professional background. She has to her credit diverse corporate exposure and commercial expertise / skills in various fields. Her continuance as a member of the Board will strengthen the composition of the Board. The Board of Directors has recommended her re-appointment w.e.f 20/01/2023 upto 31/08/2026, subject to the approval of shareholder's in the ensuing AGM.
- (c) During the year, the Board has re-appointed S. Ranbir Singh Seehra (DIN: 01572708) as Non- Executive Independent Director in its meeting held on 28.03.2022 upto 31.08.2026 as his existing term expired on 31.03.2022. The shareholders have approved his re-appointment through Postal Ballot. He is having long experience of over three decades in the manufacturing, administration, management and commercial activities. He is presently working as Chief Executive Officer of M/s GNA Axles Ltd. which he has steered to higher growth trajectory in the last couple of years.
- (d) The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence and comply with all the requirements in pursuance to subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed/continue as Independent Directors under the provisions of the Act and rules thereunder.
- (e) Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the individual directors and also the Board as a whole, which, inter-alia, include :



DIRECTORS' REPORT

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

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

The Independent Directors in their Separate Meeting and in the Meeting of the Nomination & Remuneration Committee of the Company 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.

13. MEETINGS OF THE BOARD

During the year, ten (10) meetings of the Board of Directors were convened and held during the financial year 2021-22. The maximum intervening gap between the meetings was within the period prescribed under the provisions of Section 173 of the Act and Listing Regulations. For further details of Board/Committee Meetings including composition and attendance, please refer to 'Annexure B' the Corporate Governance Report, forming part of this Report.

14. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee cover the areas as contemplated under Section 177 of the Companies Act, 2013 ('the Act') and Regulation 18 of SEBI (LODR) Regulations, 2015, as applicable, besides other matters as referred by the Board of Directors from time to time. The primary objective of the audit committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. The committee oversees the financial reporting process by the Management, the internal auditors and the independent auditors. All possible measures are taken by the committee to ensure the objectivity and independence of the independent auditors.

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

During the year under reference, the Audit Committee of the Company consisted of Sh. Ranbir Singh Seehra as Chairman, Sh. Vikas Uppal, Sh. Saravjit Singh Hothi and Sh. M.G. Sharma as its members. All recommendations made by the Audit Committee during the year were accepted by the Board.



DIRECTORS' REPORT

15. INTERNAL FINANCIAL CONTROLS

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

16. VIGIL MECHANISM

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

17. RISK MANAGEMENT POLICY

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

<https://www.sukhjitgroup.com/risk-management-policy>

18. GENERAL DISCLOSURE

- (i) All the deposits have been accepted/ renewed / repaid as per the provisions of the Companies Act. The company had no unclaimed / unpaid deposits on 31/03/2022.
- (ii) Unsecured Loans as on 31/03/2022 include ₹ 0.52 crores (P.Y. ₹ 6.30 crores) received from directors, which have been made out of their own funds and not from the funds acquired by them by borrowing or accepting loans or deposits from others, as per the declarations received from the concerned directors.
- (iii) The Company has duly complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and the General Meetings.
- (iv) No shares have been issued during the year under reference with differential rights as to dividend, voting or otherwise.
- (v) There is no significant and material order passed by any Regulator, Court, Tribunal which may impact the going concern status of the Company and Company's operations in future.



DIRECTORS' REPORT

- (vi) There are no material changes or commitments affecting the financial position of the Company which occurred between the end of the financial year to the date of this report.
- (vii) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.
- (viii) There is no change in the nature of company's business during the year under review.
- (ix) There was no instance of fraud during the year under reference which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made there under.
- (x) The Board has constituted an Internal Committee for redressal of grievance(s) / complaint(s) (if any) under the provisions of the "Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013". The committee has not received any complaint during the year under reference.
- (xi) In view of the relaxation granted by MCA /SEBI amid Covid-19 pandemic and as per the Green Initiative taken by MCA, the Company is serving its shareholders all communications / documents including Annual Reports, Notices, Circulars etc. through electronic mode. The shareholders who have not registered / updated their Email IDs with the Company / RTA are, once again, requested to kindly register /update the same with the Company / RTA in case of physical shares and with their Depository Participants in respect of shares held in Demat form.
- (xii) There has been no default in repayment of deposits or payment of interest thereon during the year.
- (xiii) There was no instance during the year where the recommendations of any committee were not accepted by the Board.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities carried out during the financial year 2021-22 is annexed herewith marked as 'Annexure D' to this report.

20. INSIDER TRADING PREVENTION CODE

Pursuant to the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto, the Company has adopted an Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by the Designated Persons. The Code is to prevent Insider Trading by the Directors and other Designated Persons who are expected to have access to the Unpublished Price Sensitive Information relating to the Company.

21. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. The salaries/ remuneration of the directors and KMPs have been fixed after due consideration and approval by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. The transactions with the subsidiary companies mainly include the supply of some key infrastructural facilities and utilities by Sukhjit Mega Food Park and Infra Ltd., which is a wholly owned subsidiary of the Company. However, the



DIRECTORS' REPORT

transactions with subsidiary Companies are incurred after due appraisal, approval(s) at appropriate levels and omnibus approval by the Audit Committee / Board, which are in the ordinary course of business and are at arm's length price. In terms of IND AS-24, the details of such transactions are duly presented in the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company appears on the Company's website at the link:

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

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

Particulars of loans given and Investments made are provided in the standalone financial statements. The Company has given/provided some Guarantees / Securities to the Govt. / other Departments in the ordinary course of business. The company has also provided Corporate guarantee(s) for ₹ 40 crores to the Yes Bank Ltd. against the Term Loan for setting up the Mega Food Park by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. The outstanding balance of term loan appeared at ₹ 26 crores due to the Yes Bank Ltd. as on 31.03.2022. There is no other Guarantee / third party Guarantee / security given / provided by the Company.

23. EXTRACT OF ANNUAL RETURN

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

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

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

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the company has transferred during FY 2021-22 :

- (a) ₹ 7,71,175/- as unpaid/unclaimed dividend for FY 2013-14 to the Investor Education and Protection Fund (IEPF).
- (b) 18,284 shares to the demat account of the IEPF Authority on which dividend has not been paid / claimed by the shareholders for 7 (seven) consecutive years or more.

26. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

The tenure of the existing auditors M/s VSAP & Associates, Chartered Accountants (FRN 018705N) is expiring on the conclusion of the ensuing Annual General Meeting (AGM). The Board has therefore, appointed M/s Y.K. Sud & Company Chartered Accountants (FRN 000047N), who have confirmed that they are eligible



DIRECTORS' REPORT

for being appointed as the auditors of the Company, (subject to the approval of shareholders in the ensuing AGM) to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 83rd Annual General Meeting, at such remuneration, as may be mutually agreed between the Board and the Auditors.

The Auditors' report for the financial year ended 31/03/2022 issued by M/s VSAP & Associates, Chartered Accountants 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 2022-23, subject to the approval of the Central Government. The Cost Audit Report for the financial year ended 31st March, 2022 is due to be filed with the Ministry of Corporate affairs on or before the 30th September, 2022 and the cost audit report for the financial year ended 31/03/2021 was duly filed within the due dates.

Secretarial Auditors :

The Board has re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2022-23.

The Secretarial Audit Report for the financial year ended 31st March, 2022, in relation to compliance of all applicable SEBI Regulations/circulars/ guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations along with the Secretarial Audit Report of the material subsidiary company is set out in 'Annexure H' to this report.

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

27. ACKNOWLEDGEMENT

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

Yours truly,

For and on behalf of the Board,

Sd/-

MANJOO SARDANA

Chairperson

Sd/-

K.K. SARDANA

Managing Director

Dated : 8th July, 2022



DIRECTORS' REPORT

Annexures forming part of this Report :

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Annexure 'C' : Details pertaining to Remuneration as required u/s 197 (12) of The Companies Act, 2013 read with rules made thereunder	60
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ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

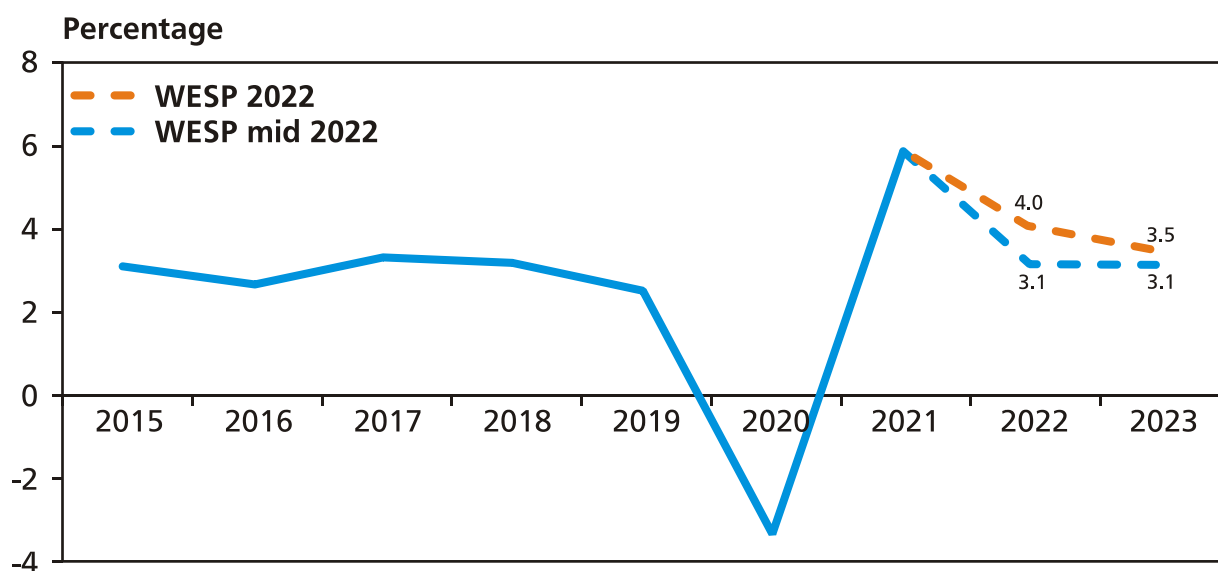
Global Outlook :

As Per the latest report in June 2022, United Nations has emphasized that Global growth prospects have weakened significantly amid the war in Ukraine.

The World Economic Situation and Prospects as of mid-2022 warns that the global economy may be on the cusp of a new crisis, while still recovering from the pandemic. The war in Ukraine has upended the fragile global recovery, triggering a devastating humanitarian crisis in Europe, pushing up food and commodity prices, slowing growth globally and exacerbating inflationary pressures worldwide. Geopolitical and economic uncertainties are dampening business confidence and investment and further weakening short-term economic prospects. Against this backdrop, the world economy is now projected to grow by only 3.1 per cent in 2022 and 2023 (figure 1), marking substantial downward revisions of 0.9 and 0.4 percentage points, respectively, from our previous forecasts released in January 2022. Our baseline outlook faces major downside risks from further intensification of the war in Ukraine, new waves of the pandemic, and faster-than-expected monetary tightening by developed country central banks.

The downgrades in growth prospects are broad-based. Growth in the United States is forecast to slow to 2.6 per cent in 2022 due to high inflationary pressures, aggressive monetary tightening by the Federal Reserve and a strong US dollar, which is weighing on net exports. In China, GDP is projected to expand by 4.5 per cent, a downward revision of 0.7 percentage points, with stringent zero COVID-19 policies adversely affecting growth prospects. Meanwhile, there is an exceptionally heavy toll on the economy of the European Union: its GDP is projected to expand by 2.7 per cent in 2022, 1.2 percentage points lower than expected in January.

Figure 1
Growth of world gross product, 2015-2023



Source : UN DESA.

Note : f = forecast

The economic prospects for the Commonwealth of Independent States and Georgia are also sharply downgraded. The Russian Federation's economy is projected to contract by about 10 per cent in 2022. Amid massive destruction of infrastructure, population displacement and disruption of economic activities, the Ukrainian economy is projected to contract by 30 to 50 per cent in 2022.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

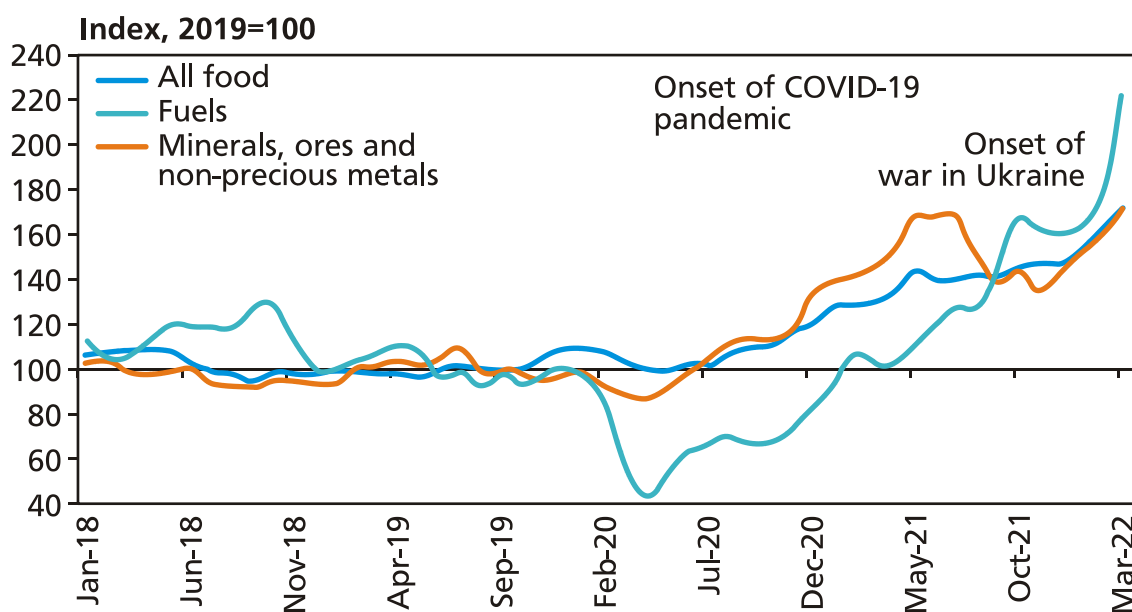
The outlook for developing countries has also deteriorated, with GDP projected to increase by 4.1 per cent in 2022, 0.4 percentage points lower than forecast in January. Higher energy and food prices, rising inflationary pressures and slowing growth in the United States, the European Union and China are weakening their growth prospects. The monetary tightening in the United States will sharply increase their borrowing costs. A growing number of developing countries – including several least developed countries – face stagnant growth prospects and rising risks to sustainable development, amid high levels of debt distress. The negative outlook is compounded by worsening food insecurity, especially in Africa and Western Asia. Additionally, lower vaccination rates make developing countries more vulnerable to new waves of COVID-19 infections. By the end of April 2022, the number of doses per 100 people in the developed countries stood at 190.8, compared to 143.5 in developing countries and only 35.5 in Africa.

WAR IMPACT ON COMMODITY PRICES & INFLATION :

The war in Ukraine and the sanctions against the Russian Federation have rattled commodity markets, exacerbating supply-side shocks. In 2022, global trade growth is projected to slow down markedly, after a strong rebound in 2021. The conflict has directly disrupted exports of crude oil, natural gas, grains, fertilizer and metals, pushing up energy, food and commodity prices (figure 2). The Russian Federation and Ukraine are key suppliers of agricultural goods, accounting for 25 per cent of global wheat exports, 16 per cent of corn exports and 56 per cent of exports of sunflower oil.

The world economy is facing substantial inflationary pressures. Global inflation is projected to increase to 6.7 per cent in 2022, twice the average of 2.9 per cent recorded during 2010-2020 (figure 3). Headline inflation in the United States has reached the highest level in four decades. In developing regions, inflation is rising in Western Asia and Latin America and the Caribbean. Soaring food and energy prices are having knock-on effects on the rest of the economy, as reflected in the significant rise in core inflation in many economies as well.

Figure 2
Major commodity prices, January 2018 to March 2022



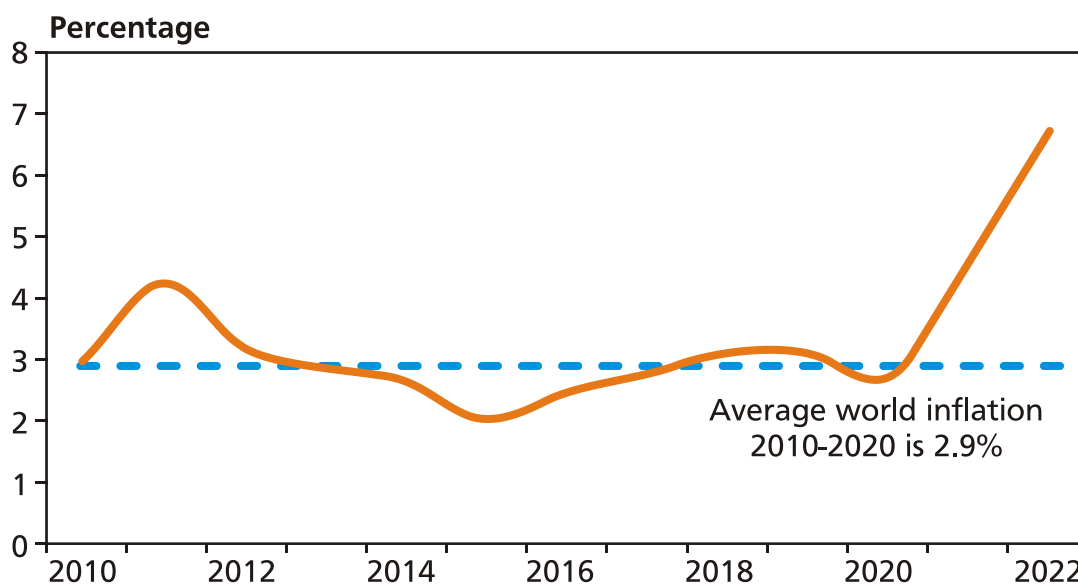
Source : UNCTAD.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Rising inflation is posing an additional challenge to an inclusive recovery as it disproportionately affects low-income households that spend a much larger share of their income on food items. The decline in real incomes is particularly pronounced in developing countries, where poverty is more prevalent, wage growth remains constrained and fiscal support measures to alleviate the impact of higher oil & food prices on the vulnerable groups are more limited. Surging food inflation is worsening food insecurity and pushing many below the poverty line as developing countries are still struggling with economic shocks from the pandemic.

Figure 3
Global annual inflation, 2010-2022



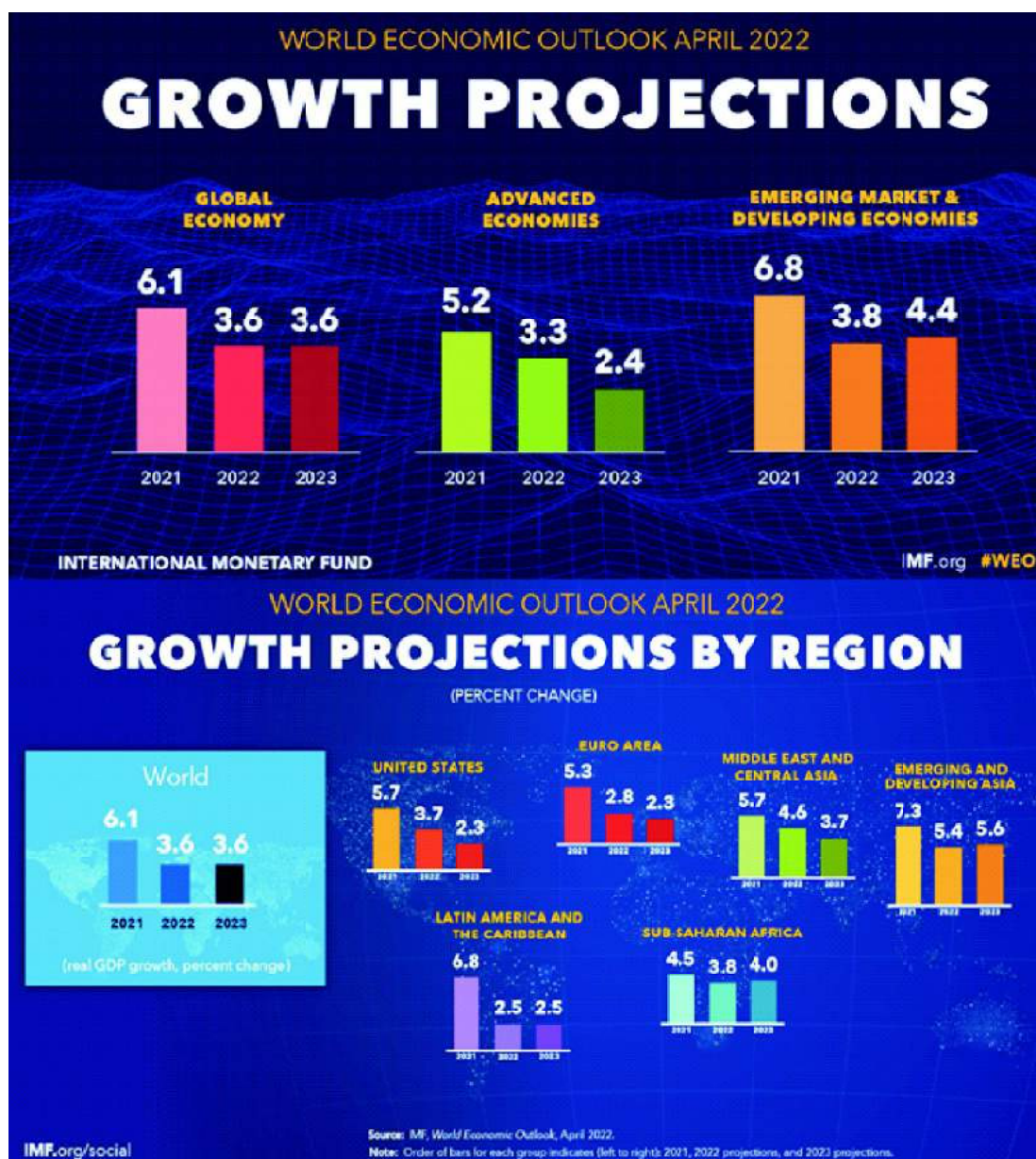
Source : UN DESA estimates and forecasts.

Note : Data for 2022 are projections. Data excludes the Bolivarian Republic of Venezuela.

As per IMF also, The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than projected in January. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies i.e. 1.8 and 2.8 percentage points higher than projected last January. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change and end the pandemic are essential.



ANNEXURE 'A' TO THE DIRECTORS' REPORT



Challenges for climate action from rising food prices

Sustainable biofuels (ethanol, biodiesel and renewable diesel) are important fossil fuel substitutes for land-based transport and are critical to achieving net zero scenario. Globally, 13 per cent of corn production and 20 per cent of global sugar cane production go into ethanol production, while 11 per cent of global vegetable oil production is used for biodiesel. The war has pushed up food prices, especially for items such as wheat, corn and vegetable oil, as the Russian Federation and Ukraine are major producers and exporters of these commodities.

Growing food and energy security concerns are raising questions about the use of food crops for biofuel. Croatia, Finland and Sweden, for example, recently relaxed biofuel blending mandates to reduce energy price pressures.

Higher food prices could also lead to the intensification of agricultural practices and the expansion of agriculture into lands left fallow or under forest cover.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Indian Economy :

The World Bank recently cut its FY23 real GDP growth forecast for India to 7.5 per cent from 8 per cent, which is slightly more bullish than the Reserve Bank of India's forecast of 7.2 per cent. S&P and the IMF have also recently cut their FY23 forecast for India. The government's intervention in the form of duty cuts on imports, subsidies on fertilisers and cooking gas, duty cuts on fuels to protect consumers and businesses from high inflation is likely to impact the fiscal deficit in the coming quarters. The economy's near-term prospects have darkened due to a spike in retail inflation, which hit an eight-year high of 7.8 per cent in April. The surge in energy and commodity prices caused partly by the Ukraine crisis is also squeezing economic activity.

According to the World Bank report, growth in India slowed in the first half of 2022 as activity was disrupted both by a surge in COVID-19 cases, accompanied by more-targeted mobility restrictions. The recovery is facing headwinds from rising inflation. The unemployment rate has declined to levels seen prior to the pandemic, but the labour force participation rate remains below pre-pandemic levels and workers have shifted to lower-paying jobs.

In India, the focus of government spending has shifted toward infrastructure investment, labour regulations are being simplified, underperforming state-owned assets are being privatised and the logistics sector is expected to be modernized and integrated. A rise in prices across all items from fuel to vegetables and cooking oil pushed WPI or wholesale price-based inflation to a record high of 15.08 per cent in April and retail inflation to a near eight-year high of 7.79 per cent.

In India, with softening of maize prices, selling prices of finished goods have also optimized, which should be a welcome sign for FMCG companies to control their price line to ward off the demand erosion. Ukrain war has mainly increased the fuel prices, which have started stabilizing now and should taper off in the coming months as the Govt. is also seriously looking into this aspect and has already reduced import duties on coal.

Transformation : verwandeln in German 변환 byeonhwan in Korean and metamorphosis in French and Parivartan in Hindi

According to the Cambridge English Dictionary,

TRANSFORMATION is defined as

"To change completely the character or appearance of something in order to improve it."



We, at SUKHJIT, strive to unlock, convert, alternance, modify, regenerate and the significant synergies resulting from our distinct Legacy and combine them to create something momentous and more credible.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

What's the Change

We have a profitable Incredible Journey of growth of over 7 decades but now its important to transform in this digital era especially when more PREMIUM is given to loss making technology start-ups then a 77 year old companies like us.

Over the years, we have been accelerating growth organically with hard work, dedication and R & D. With the aim of achieving significant expansion in terms of the scale, credibility and scope of our business, we have done significant changes in businesses in the last 2 years. Now, it is all about making these distinct businesses add up to something impactful and value accretive for our customers and stakeholders. It is all about "TRANSFORMING" with the right strategy, execution model and foresight. Our growth pivots include ramping up our business offerings to achieve better synergies with different industries and segments, driving a strategy-led approach in all aspects of the business, maximizing the market share with better margins to ensure consistent value creation for all our stakeholders.

India's Consumption story and Sukhjit

The consumption story of India will be strengthened moving forward. Aspirations are rapidly converging between urban and rural India, leading to an uptick in the consumption of branded goods with high quality, safety and nutrition credentials. Organizations that will act in the interest of their employees, stakeholders and society at large will reinforce their expertise, leadership, trust and strengthen the bond they have with consumers.

We believe that with the environment, economy, technology and society undergoing radical shifts, their impacts continue to challenge businesses and create risks and tensions and opportunities for change and renewal. A growing middle class, the emergence of new cities and increasing internet penetration make India's consumption story one of the world's most compelling. We see considerable opportunities for taking our Industry to new heights. The clear direction that we have mapped for ourselves will continue to guide our operations to unlock new possibilities.

The Indian food processing industry has tremendous growth potential. The COVID-19 pandemic led to increased acceptance for processed food (KPMG 2021). Rural areas and Tier 2 & 3 cities are expected to continue driving the demand for processed food.





ANNEXURE 'A' TO THE DIRECTORS' REPORT

Investing in Innovation with Sukhjit

Today, Sukhjit has got a credibility, capability, experience, legacy and most important the International quality at reasonable prices where a SME vendor to a big corporate can trust for their consistent supply. We have transformed our manufacturing process and logistics in last 2 years to achieve and to enter next phase of growth.

As per our internal study and the last few year trends we have observed, the starch industry will definitely grow at the rate of 15% to 20 % for the next 5 to 10 years as the per capita consumption of starch is still below 2 kg average in India against the world average being above 6 kg. Our neighboring country going at about 10 kg per capita. Starch is still finding its use in many products & particularly shift from plastic to bio degradable. Textile, Food industry and the packaging offers ample opportunities for the industry in the years going forward. Along with greater accessibility, quality and productivity, the substantial operating synergies across innovative product offerings, strong technology adoption along higher efficiency and robust supply chain management have further Strengthened our business model. At Sukhjit, the company enjoys preferred supplier status with many MNCs owing to its standard business practices and high quality products. Company will improve on this front by expanding its product portfolio to improve its operating margins.



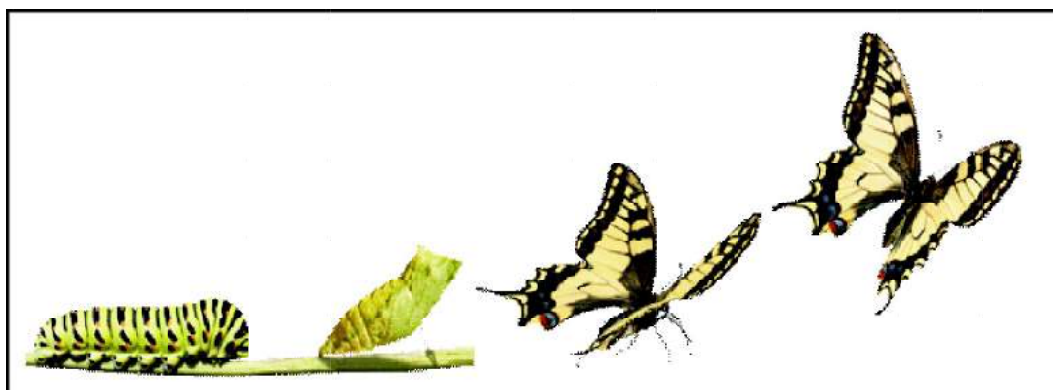
Recently, Sukhjit younger generation has fundamentally changed the pace of business. Today, with superior technology and manpower capabilities, Sukhjit has a significant advantages to meet new type of demands from different sectors and unique customers. Now, the end user will have more prompt experience and Sukhjit can reach deepen into the Tier 3 and Tier 4 cities swiftly. Next Generation of the promoters has great ambitions to go for high value products in order to achieve better OPM / NPM / ROE. Besides ramping up low capacities at two existing locations of the company, product portfolio at some locations is also at a native stage & needs to be improved & supplemented by high value products. We remain focused on pursuing our growth objectives with a strong financial discipline and



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a vigorous focus on operational execution. Our continual endeavor is to manage unit economics and achieve economies of scale. Sukhjit, today has a multigenerational workforce, where 72% are millennials. Equal opportunity, respect and dignity are anchored on the pillars of 'Purpose and Values' of Sukhjit.

Transforming Sukhjit :



To better penetrate the market, Sukhjit through the strategic approach, powered by data and technology, deepened its engagement into newer customers. Sukhjit progressed firmly and resolutely on its Semi-URBAN journey that was accelerated further by using a healthy mix of customized portfolio and building deep end user connect. Sukhjit is expected to deliver strong rural growth performance in addition to sustained growth.

Strengthening its commitment to 'Make in India' through augmentation of manufacturing facilities, Sukhjit new state-of-the-art manufacturing facility in Punjab, became fully operational this year. The Company is also planning to commission a new line in its West Bengal and Andhra Pradesh Units to enhance the value added product range.

The main strategy of the management is to grow the production of value added products by at least 25% over next 3 financial years. This will increase the bottom line along with the growth in overall top line. Your company has four locations in different states / geographies affording sufficient cushion to control violent fluctuations in key raw material i.e. maize.

Sukhjit will get its fair share from the domestic demand in the coming year. Industry being driven out paving the way for rejuvenation and sustainable growth for those with the right credentials. Our access to local market and new markets with a low gearing ratio is close to an ideal scenario. Our strong foundation is our core strength. Not only this, the more than normal monsoon will also boost the domestic demand.

Transformation in the usage by End user Industry

Today, Starch is considered as one of the most promising natural polymers because of its inherent biodegradability, overwhelming abundance and annual renewability. Starches offer a very attractive low cost base for new biodegradable polymers due to their low material cost. Development and applications of biodegradable starch-based materials has attracted increasing attention since the well recognised issues of oil shortage and the growing interest in easing the environmental burden due to extensive use of petro chemically - derived polymers. Currently more and more countries have introduced regulations and laws of banning disposable plastics. Furthermore, bio-based materials have several potential benefits for greenhouse gas balances and other environmental impacts over the whole life cycles and in the use of renewable rather than finite resources. It is intended that the use of biodegradable materials will contribute to sustainability and reduction in the environmental impact associated with the disposal of oil-based polymers.



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The biodegradable packaging solutions are finding increasing application in packaging due to, growing focus on sustainability, government emphasis on efficient packaging management and rising consumer awareness coupled with an increasing ban on plastic.

Our ownership structure provides us with the stability to invest in businesses that we believe in and to support the growth of those businesses over the long term. Our growth has been mostly organic, achieved through investment in marketing, development of existing and new products & technologies and through targeted capital expenditure to improve efficiency and expand capacity.

Our long-established, disciplined approach to capital investment underpins our growth. We manage our balance sheet to provide the headroom necessary to fund long-term investment and we make funding available to our business, providing the returns on their investment proposals meet or exceed a set of clearly defined criteria. We believe that this approach, coupled with a rigorous commitment to ethical conduct and sustainable business practice is the best way to create enduring value for all our stakeholders.

Our corporate culture and VALUES

We understand the value of good people, strong and accountable teams, the power of brands, the need for continuous investment and the need to maintain strong and enduring relationships with customers and suppliers.

We live and breathe our values through the work we do every day, from investing in the health and safety of our employees, to promoting diversity and respecting human rights. Our values are respecting every ones dignity, acting with integrity, progressing through collaboration and delivering with rigour.

We pride ourselves on being a first-class employer, working actively to develop our people and create opportunities for progression. As a result, our employees tend to stay with us for a long time, building exciting careers that help them fulfill their goals at work, at home and in the community.

We believe that most people are inherently good and that with encouragement, engagement and support they do the right thing in the right way. Our high standards of integrity enable us to drive a strong culture, recognising that acting responsibly is the only way to build and manage a business over the long term.

Strategy is about making choices, trade-offs; it's about deliberately choosing to be different. – Michael Porter

Human Resources

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

Internal Control Systems and Adequacy

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



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Corporate Social Responsibility (CSR)

The Company is committed to inclusive, sustainable development and contributing to building economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. We take long term view to create long term values for our stakeholders and the communities in which we operate.

Within Sukhjit Factories, there are continuous efforts to improve operational efficiencies, minimizing consumption of natural resources with visible reduction in the use of water, energy and CO2 emissions. Sukhjit is committed to environmentally sustainable business practices across its value chain making the right choices to protect the future by integrating environmental considerations into its business planning. Preserving the planet is weaved into the Purpose of your Company. Sukhjit has accelerated the sustainability journey by working across 4 commitments related to climate, packaging, sourcing and water. Its efforts encompass the entire value chain, where it actively engages with farmers, suppliers, employees and consumers to increase awareness about the planet.

Future Prospects

The Raw Material of the company is an agriculture produce and its availability & cost largely depends upon the Monsoon behaviour in the Country. The IMD has predicted normal monsoon for the running year, which is expected to give increased production of the crop with improved availability at an optimum cost. Production of maize has been showing an increasing trend in the state of Punjab both during Rabi & Kharif seasons which gives a hope for the sufficient and continues supply of Raw Material to both our units located in north India, at an optimum cost. The company expects to increase capacity utilisation of its new manufacturing facility, particularly the high value products, to further improve its performance in terms of sales & profitability.

Risk Factors

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

Agricultural production and trade flows are subject to government policies, mandates and regulations affecting the agricultural industry such as taxes, tariffs, duties, subsidies, incentives, foreign exchange rates and import / export restrictions on agricultural commodities and commodity products which can influence the plantation of certain crops, size of crop production, the volume of imports and exports, the availability / competitiveness of raw materials for agro based industry, thus affecting the industry's profitability.

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

Cautionary Statement

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY :

The Company believes in adopting the 'best practices' in the area of Corporate Governance, which provide a structure that 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, fairness and accountability in all its transactions, in order to protect the interests of its stakeholders. The company has always remained prompt and regular in discharging its statutory obligations and duties. The Company is also having strong systems and processes to ensure full and timely compliance with all legal and regulatory requirements.

2. BOARD OF DIRECTORS :

An effective Board is a pre-requisite for strong and effective corporate governance. The Board of Directors of the company is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of its stakeholders. The members of the Board meet regularly to discuss key operations of the Company, decide timely actions and direct the executive management accordingly. The Board comprises directors from diverse back grounds with rich experience in business / industry enabling the Board to appropriately guide and direct the Company to perform effectively and efficiently. The key senior management persons are also invited to the Board meetings with their presentations on the working of the Units of the Company or its subsidiaries, to keep the members of the Board fully updated with the latest developments in the business of the Company. The Board has an appropriate composition of executive, non-executive and independent directors to maintain independence and full transparency in the working of the Board of Directors of the Company. The Board has constituted various committees of Directors and the meetings of the Board and Committees the re of have been held as frequently as required for proper and effective control over the affairs, of the company.

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

The Composition of the Board and category of Directors as on March 31, 2022 are given hereunder :

Category	Name of Directors	No. of Shares held
Promoter/Executive Directors	Shri K.K. Sardana - Managing Director	1481123
	Shri M.G. Sharma - Executive Director (Fin) & CFO	5320
Non-Executive Promoter Directors	Smt. Manjoo Sardana - Chairperson	1696097
	Smt. Shalini Umesh Chablani	94814
Independent Directors	Shri Tarsem Singh Lally	Nil
	Shri Ranbir Singh Seehra	3000
	Shri Saravjit Singh Hothi	Nil
	Shri Vikas Uppal	2500

As on 31st March, 2022, 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 2021-22, ten Board meetings were held on 05/04/2021, 31/05/2021, 06/08/2021, 19/09/2021, 07/11/2021, 15/11/2021, 27/01/2022, 05/02/2022, 11/02/2022 and 28/03/2022.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Familiarisation Programme for Independent Directors :-

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

<https://www.sukhjitgroup.com/familiarisation-programme-for-independent-directors>

The composition of the Board of Directors and their attendance at the meetings during the year and the number of Directorships / Committee positions held by them as on 31st March, 2022 are as under:

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committee Positions held in other Indian Public limited Companies		Whether attended last AGM
				Chairman	Member	
Smt. Manjoo Sardana	Non-Executive Chairperson	10	–	–	–	Y
Shri K.K. Sardana	Managing Director	10	2	–	2	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	10	1	1	–	Y
Shri Tarsem Singh Lally	Independent Director	9	1	1	–	Y
Shri Ranbir Singh Seehra	Independent Director	7	5	–	3	Y
Shri Saravjit Singh Hothi	Independent Director	8	–	–	–	N
Shri Vikas Uppal	Independent Director	9	2	2	1	N
Smt. Shalini Umesh Chablani	Non Executive Director	8	1	–	1	N

Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on 31st March, 2022 are as under :

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

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

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

Name of Director	Planning & Strategic Management	Financial Management	Business Leadership	Project Management	Corporate Governance & Compliance	Marketing & Sales	Administration & Human Resource Management	Technology and Innovations	Risk Management
Smt. Manjoo Sardana	✓	✓	✓		✓	✓			
Sh. K.K. Sardana	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. M.G. Sharma	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. Tarsem Singh Lally	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. Ranbir Singh Seehra	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sh. Saravjit Singh Hothi	✓		✓	✓	✓		✓	✓	✓
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 has constituted the following Committees with an adequate delegation of powers :

(i) Audit Committee :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

The composition of the Audit Committee is given below :

Shri Ranbir Singh Seehra	Independent Director (as Chairman)
Shri Vikas Uppal	Independent Director (as member)
Shri Saravjit Singh Hothi	Independent Director (as member)
Shri M.G. Sharma	Executive Director (Fin) & CFO (as member)

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

		Meetings held during the year	Meetings attended
Shri Ranbir Singh Seehra	Independent Director	06	06
Shri Vikas Uppal	Independent Director	06	06
Shri Saravjit Singh Hothi	Independent Director	06	05
Shri M.G. Sharma	Executive Director (Fin) & CFO	06	06

(ii) Corporate Social Responsibility (CSR) Committee :

The CSR Committee has been constituted in consonance with section 135 of The Companies Act, 2013, Schedule VII thereto and the rules made thereunder. The Composition of CSR Committee during F.Y. 2021-22 comprised of Shri K. K. Sardana as its chairman, Shri Vikas Uppal and Sh. Saravjit Singh Hothi as the members. The Committee has been formed to assist the Board in discharging its social responsibilities by way of formulating and monitoring the implementation of the CSR Policy of the Company and recommending / budgeting the amount of expenditure to be incurred on CSR activities with due control over the expenditure to meet the intended objectives. The Committee also approves the Corporate Sustainability report and oversee the CSR activities.

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

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

(iii) Stake Holders' Relationship/Grievance Committee :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

The Company has received only one complaint during the year, from its shareholders, which was immediately redressed.

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

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

(iv) Nomination & Remuneration Committee :

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

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

		Meetings held during the year	Meetings attended
Shri Ranbir Singh Seehra	Independent Director	03	02
Shri Vikas Uppal	Independent Director	03	03
Shri Saravjit Singh Hothi	Independent Director	03	02

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

- Recommendation for the Appointment of Sh. Saravjit Singh Hothi as Independent Director of the Company.
- Recommendation for Smt. Manjoo Sardana as Non-Executive Chairperson of the Company, who retired by rotation and was reappointed in the Annual General Meeting of the Company.
- Recommendation for the re-appointment of Sh. M.G. Sharma, Executive Director (Fin.) & CFO of the Company w.e.f. 1 st August, 2021 to 31 st May, 2023.
- Recommendation for the revision in the remuneration payable to the Senior Executives of the Company.
- Considering the remuneration payable to the Managing Director and the Executive Director (Fin.) & CFO.
- Consideration of performance of Non-Independent Directors, Non-Executive Chairperson and the entire Board of Directors of the Company.
- Recommendation for the re-appointment of Sh. Ranbir Singh Seehra as an Independent Director of the Company w.e.f 1 st April, 2022 to 31 st August, 2026.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Remuneration to Directors :

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

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

Name	Salary	Commission	Perquisite Value	Retirement Benefits	(Amount in ₹ Lacs)	
					Sitting Fees	Total
Sh. K.K. Sardana	83.40	53.20	10.03	6.70	–	153.33
Sh. M.G. Sharma	42.19	–	1.50	2.33	–	46.02

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

Smt. Manjoo Sardana	–	17.73	–	–	0.90	18.63
Smt. Shalini Chablani	–	17.73	–	–	0.72	18.45
Sh. Tarsem Singh Lally	–	5.00	–	–	0.81	5.81
Sh. Ranbir Singh Seehra	–	5.00	–	–	0.63	5.63
Sh. Vikas Uppal	–	5.00	–	–	0.81	5.81
Smt. Ruby Agrawal	–	0.83(*)	–	–	–	0.83
Sh. Sarvjit Singh Hothi	–	4.17(*)	–	–	0.72	4.89

(*) Worked out according to the period served on the Board of Directors of the Company.

The company has been paying commission to the Non-Executive Directors @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013, with a cap of Rs. 5 lacs in a year for each Independent Director of the Company, as per the necessary approvals / sanctions obtained by way of a special resolution 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 its size and the industry in general to retain and attract talent and improve the quality of human capital and better the performance of its employees, with a view to run the Company's operations efficiently, effectively and profitably. The detailed remuneration policy is available on the website of the company at <https://www.sukhjitgroup.com/remuneration-policy-for-directors-kmps-other-executives>



ANNEXURE 'B' TO THE DIRECTORS' REPORT

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Business/Special Resolutions passed
06/08/2021	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 2. Appointment of Sh. Saravjit Singh Hothi as Non- Executive Independent Director. 3. Shift the Registered office of the Company outside the local limits of the city and within the same Tehsil/District of the same state of Punjab. 4. To ratify Remuneration of Cost Auditors.
13/08/2020	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Appointment of Sh. Vikas Uppal as Non-Executive Independent Director. 2. Appointment of Smt. Shalini Umesh Chablani as Non-Executive Director. 3. Appointment of Sh. Tarsem Singh Lally as Non- Executive Independent Director. 4. Resolution for alteration in the Articles of Association (AOA) of the Company. 5. To ratify Remuneration of Cost Auditors.
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.

Further, the shareholders have approved the re-appointment of Sh. Ranbir Singh Seehra (DIN: 01572708), as Non-Executive Independent Director of the Company w.e.f. 28.03.2022 to 31.08.2026 by way of special resolution passed through Postal Ballot / Remote E-Voting, in the month of June 2022.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 12th August, 2022.

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

5. DISCLOSURES

(i) Disclosures on materially significant related party transactions :

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. However, the transactions with subsidiary companies are in the ordinary course of business and are at arm's length price, in terms of IND AS-24 and given in the Notes to Accounts forming part of the Annual Report.

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

(iii) Whistle Blower Policy : Your Company believes in fair & transparent conduct of its affairs and sets high standards following good and ethical Corporate Governance practices. Pursuant to the provisions of Section 177 of the Companies Act, 2013 & rules made thereunder 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) Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015:

(a) Pursuant to the said regulations, the Company has established appropriate mechanism to prohibit the insider trading activity.

(b) Company has devised a Code of Conduct to regulate, monitor & report the trading in shares of the Company by designated persons.

(c) The Company has in place appropriate Procedures for preserving / fair disclosure of the unpublished price sensitive information.

(d) The Company maintains requisite communication with designated employees to apprise them about the obligations under the Insider Trading Regulations.

(e) The Prevention of Insider Trading Code is reviewed and amended suitably from time to time to incorporate the amendments, if any, made by SEBI.

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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 periodically hosts concall(s) with Institutional / other investors & financial analysts etc. for discussing & communicating the business philosophy of the company, sharing the latest developments and addressing their queries & questions for better understanding of the Company's operations.

7. GENERAL SHAREHOLDERS INFORMATION

- | | | |
|--|---|--|
| (a) Annual General Meeting
Date, Time & Place | : | 12th August, 2022 at 10.00 A.M. at the
Registered Office of the Company at
Phagwara. |
| (b) Financial Year | : | 2021-2022 |
| (c) Date of Book Closure | : | 06.08.2022 to 12.08.2022 (both days inclusive) |
| (d) Listing on Stock Exchange | : | Bombay Stock Exchange |
| (e) Stock Code | : | 524542 (Listing fee as applicable has been paid) |
| (f) CIN | : | L15321 PB1944 PLC 001925 |
| (g) Registrars & Share Transfer Agents | : | The Share Transfers are done by M/s. Skyline
Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla
Industrial Area, Phase-1, New Delhi - 110020
Phone No. (011) 26812682
E-mail ID : admin@skylinerta.com |
| (h) Dematerialization of Shares | : | The Company's Equity Shares are held in
dematerialized form on NSDL & CDSL. 1,51,88,039
shares i.e. 97.22% of equity capital have been
dematerialized as on 31.03.2022 which include
1,03,32,229 shares held by promoters' (100% in
Demat form) and 48,55,810 shares held by public
(91.80% held in Demat form). |



ANNEXURE 'B' TO THE DIRECTORS' REPORT

- (i) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion data and likely impact on equity. : The company has not issued any GDRs/ADRs during the year under reference. However the Company had issued 8,62,360 convertible equity warrants in november, 2021, which were fully subscribed and thereafter converted to equity shares in march, 2022.

(j) Unpaid Dividends

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

Pursuant to the above, the company has transferred during FY 2021-22 :

- ₹ 7,71,175/- as unpaid/unclaimed dividend for FY 2013-14 to the Investor Education and Protection Fund (IEPF).
- 18,284 shares to the demat account of the IEPF Authority on which dividend has not been paid / claimed by the shareholders for 7 (seven) consecutive years or more.

The unpaid / unclaimed dividend for the financial year 2014-15 shall be due for transfer to the IEPF during the month of July, 2022. Members are requested to verify their records and send their claims, if any, before 15th , July, 2022. The communication in this regard has already been sent to the concerned shareholders.

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

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024
2017-2018	08.08.2018	07.08.2025
2018-2019 (Interim Dividend)	06.02.2019	05.02.2026
2019-2020	13.08.2020	12.08.2027
2020-2021	06.08.2021	05.08.2028
2021-2022 (Interim Dividend)	11.02.2022	10.02.2029

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

- (k) Unclaimed Shares Demat Suspense Account : In terms of SEBI (LODR) Regulations, 2015, 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, 2022	500	1,28,244

The voting rights on the shares outstanding in the suspense account as on 31st March, 2022 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

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

- (m) Distribution of Shareholding :
as on 31.3.2022

(I) Category	No. of Shares	Percentage
1. Promoters (including 10,24,390 shares of NRI's)	1,03,32,229	66.14%
2. Corporate Bodies	2,33,360	1.49%
3. NRIs/FFIs/OCBs	2,66,899	1.71%
4. General Public	47,89,512	30.66%
Total No. of shares	<u>1,56,22,000</u>	<u>100.00%</u>



ANNEXURE 'B' TO THE DIRECTORS' REPORT

(II) Category wise Distribution of Shares of the Company as on 31.03.2022

Category of Shares	No. of Shares	Percentage to total Shares	No. of Shareholders	Percentage to total Shareholders
1-500	6,39,908	4.10	5,038	80.15
501-1000	4,06,591	2.60	543	8.64
1001-5000	11,13,128	7.13	512	8.15
5001-10000	5,97,705	3.83	83	1.32
10001-20000	5,86,936	3.76	42	0.67
20001-50000	11,50,123	7.36	33	0.52
50001-100000	11,72,076	7.50	16	0.25
100001- above	99,55,533	63.73	19	0.30
Total	1,56,22,000	100.00	6,286	100.00

(n) Share Transfer System :

97.22% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transmission or transposition of shares held in physical form, the requisite documents can be lodged with our RTA or at the registered office of the company. The transmission or transposition of shares in physical form is normally processed within ten to twelve working days from the date of receipt, if the documents are complete in all respects. However, the transfer of shares held in physical form can not be processed w.e.f. 1st April, 2019 in terms of Regulation 40 of SEBI (LODR) Regulations, 2015 (as amended). The Share Transfer Committee, periodically approves the transfers, under the authority of the board, which are noted by the board at its subsequent meetings.

(o) 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.

(p) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2021-2022 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2021	50375.77	47204.50	217.40	185.00
May, 2021	52013.22	48028.07	265.00	201.00
June, 2021	53126.73	51450.58	289.00	218.05
July, 2021	53290.81	51802.73	283.65	240.25
Aug., 2021	57625.26	52804.08	275.25	236.00
Sept., 2021	60412.32	57263.90	318.00	250.00
Oct., 2021	62245.43	58551.14	304.00	265.10
Nov., 2021	61036.56	56382.93	371.00	268.00
Dec., 2021	59203.37	55132.68	326.95	292.00
Jan., 2022	61475.15	56409.63	490.00	310.00
Feb., 2022	59618.51	54383.20	497.75	371.25
March, 2022	58890.92	52260.82	546.70	420.00



ANNEXURE 'B' TO THE DIRECTORS' REPORT

8. LOCATION OF PLANTS

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

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

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

- (iv) The Sukhjit Agro Industries
(A unit of The Sukhjit Starch & Chemicals Ltd.)
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. 9816649399
E-mail : sukhjitagro@gmail.com



ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2021-22 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) & (ii)		Remuneration of each Director/KMP For financial year 2021-22 (Rs. In Lacs)	% increase (% decrease) in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation			
1.	Manjoo Sardana (Chairperson)	18.63	–	15.27
2.	K.K. Sardana (Managing Director)	153.33	– (*)	125.64
3.	Tarsem Singh Lally (Independent Director)	5.81	–	4.76
4.	Ranbir Singh Seehra (Independent Director)	5.63	–	4.61
5.	Saravjit Singh Hothi (Independent Director)	4.89	–	4.00
6.	Vikas Uppal (Independent Director)	5.81	–	4.76
7.	Shalini Umesh Chablani (Non-Executive Women Director)	18.45	–	15.12
8.	M.G. Sharma (Executive Director (Fin) & CFO)	46.02	– (*)	37.71
9.	Aman Setia (V.P. (Fin) & Company Secretary)	35.14	4.95 (*)	N.A.

(*) There was no increase in the salaries of the KMPs except 4.95% increase in the salary of V.P. (Fin) & Company Secretary. However, the remuneration of the KMPs has been restored to the Pre Covid level as these KMPs had taken substantial voluntary cuts in their remuneration during FY 2020-21 owing to Covid.

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

(iii) There were 1266 permanent employees on the rolls of Company as on March 31, 2022.



- (iv) The percentage increase in the median remuneration of employees had been 11.76% during the financial year 2021-22 against Nil increase in the remuneration of the Managing Director except commission related to profits, Nil increase in the remuneration of Executive Director (Fin) & CFO and 4.95% increase in the remuneration of the Company Secretary.

Average percentage increase made in the salaries of employees/workers other than the managerial personnel (KMP) in last financial year i.e. 2020-21 was Nil due to Covid, against the decrease in the managerial remuneration by 39.56% in case of the Managing Director, 44.07% in case of Executive Director (Fin) & CFO and 31.83% in case of Company Secretary, due to voluntary salary cut taken by them amid Covid-19 pandemic during FY 2021-21.

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

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

S.No.	Name of Employer	Position Held	Gross Remuneration	Educational Qualification	Experience	Date of Joining	Name of Previous Employer & Designation
1	Sh. Dhiraj Sardana	Sr. V.P. & CEO Unit(s)	76,23,923	BBA & Diploma in Marketing	25	01/05/2005	Scott Industries Ltd. - Vice President
2	Sh. Bhavdeep Sardana	Sr. V.P. & CEO Unit(s)	81,66,406	B.Sc. (Hons.) Chemistry & MBA	25	01/01/2005	Scott Industries Ltd. - Vice President
3	Sh. Pankaj Sardana	Sr. V.P. Operations (Nizamabad Unit)	75,57,310	BBE (Hons.) & M.Sc. (Hons.)	22	01/08/2012	Scott Industries Ltd. - Vice President
4	Sh. Puneet Sardana	Sr. V.P. Operations (Malda Unit)	77,53,464	BA (Hons.)	22	01/08/2012	Scott Industries Ltd. - Vice President



ANNEXURE 'D' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. Brief outline on CSR Policy of the Company :

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Sukhjit, being a responsible corporate citizen, has a value system of giving back to society and vision to empower people and communities, building self-reliance through purpose and technology while ensuring the values of fairness, equity and respect for human beings. It is the core corporate responsibility of the Sukhjit Group to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

Our CSR approach focuses on development of communities around the vicinity of the company. The Company has undertaken many initiatives beyond business with the aim for inclusive development of the weaker sections of the society. The company is continuously focusing on contributing to the social and economic development of the communities and making a positive difference to society by promoting education among economically weaker sections with special focus on girl education, by providing infrastructure support to educational institutions/ skilled development centres, support to the physically and mentally challenged people, promoting healthcare, ensuring environmental sustainability and other areas either directly or through any implementing agency, as approved by the CSR Committee/ Board of Directors of the Company.

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

FIGHT AGAINST COVID-19





ANNEXURE 'D' TO THE DIRECTORS' REPORT

TREE PLANTATION & PLANTS DISTRIBUTION



ORGANISING FREE HEALTH CARE CAMPS





ANNEXURE 'D' TO THE DIRECTORS' REPORT

PROMOTING EDUCATION



DISTRIBUTION OF FREE RATION AND BLANKETS





ANNEXURE 'D' TO THE DIRECTORS' REPORT

2. Composition of CSR Committee :

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

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

Sr No.	Financial Year	Amount available for set-off from preceding financial years (in lacs)*	Amount required to be set off for the financial year, if any (in lacs)
1.	2020-21	2.40	NIL
2.	2019-20	0.42	NIL
3.	2018-19	8.13	NIL
	TOTAL	10.95	NIL

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



ANNEXURE 'D' TO THE DIRECTORS' REPORT

6. Average net profit of the company as per section 135 (5). ₹ 3959.79 lacs

7. (a) Two percent of average net profit of the company as per section 135 (5) ₹ 79.20 lacs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
(c) Amount required to be set off for the financial year, if any NIL
(d) Total CSR obligation for the financial year (7a+7b-7c) ₹ 79.20 lacs

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

Total amount spent for the Financial Year (in lacs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹ 88.52 lacs	Not Applicable		Not Applicable		

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

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



ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Scheme VII to the Act.	(4) Local area (YES/No)	(5) Location of the project		(6) Amount spent in the current financial Year (in lacs)	(7) Mode of Imple-mentation – Direct (Yes/No)	(8) Mode of Implementation – Through Implementing Agency	
				State	District			Name	CSR Registration No.
Contribution to the Prime Minister's National Relief Fund									
1.	Prime Minister's National Relief Fund	Clause (viii)	No	New Delhi		5.00	No	Prime Minister's National Relief Fund	–
Education : Promoting education including girls education, special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.									
1.	Govt. Sr. Sec. School (Boys)	Clause (ii)	Yes	Punjab Kapurthala		0.25	Yes	N.A.	–
2.	Bastuhara Sahayata Samiti	Clause (ii)	Yes	Punjab Kapurthala		1.00	No	Bastuhara Sahayata Samiti	CSR00008280
3.	Maa Ambay Girls Sr. Sec. School	Clause (ii)	Yes	Punjab Kapurthala		2.99	No	Chanda Singh & Rao Kaur Charitable and Social Welfare Society	CSR00023902
4.	S.D.K.M.V. Sr. Sec. School	Clause (ii)	Yes	Punjab Kapurthala		3.02	Yes	N.A.	–
5.	Lala Diwani Chand Ram Narain Trust	Clause (ii)	Yes	Punjab Kapurthala		2.00	No	Lala Diwani Chand Ram Narain Trust	CSR00006373
6.	Koshish Charitable Society	Clause (ii)	Yes	Punjab Kapurthala		0.20	No	Koshish Charitable Society	CSR00019157
7.	St. Gregories Charitable Society	Clause (ii)	Yes	New Delhi Delhi		0.10	No	St. Gregories Charitable Society	CSR00016690
8.	Arya Model Sr. Sec. School	Clause (ii)	Yes	Punjab Kapurthala		12.00	Yes	N.A.	–
9.	Kamla Nehru College for Women	Clause (ii)	Yes	Punjab Kapurthala		4.00	No	Kamla Nehru College for Women	CSR00023825
10.	Employment exchanged under "Promoting employment enhancing skills of differently abled & livelihood enhancement Project of CSR"	Clause (ii)	Yes	Punjab Kapurthala		11.22	Yes	N.A.	–



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Preventive Health Care, Provision for Food to Poor and Needy People & Environmental Sustainability : Eradicating hunger, poverty & malnutrition, promoting preventive health care, sanitation and environmental sustainability etc.								
1.	Preventive Health Care & Environmental Sustainability	Clause (i) / (iv)	Yes	Punjab Kapurthala	4.33	Yes	N.A.	—
2.	Gurudwara Guru Nanak Darbar (Distribution of Glucose in Covid relief Campus)	Clause (i)	Yes		6.46	Yes	N.A.	—
3.	Punjab Disaster Management Authority (Covid Relief Activities)	Clause (i)	Yes	Punjab Kapurthala	14.95	No	Punjab Disaster Management Authority	CSR00005576
4.	Sri Balaji Arogya Vara Prasadini Scheme	Clause (i)	No	A.P. Chittoor	21.00	No	Sri Balaji ArogyaVara Prasadini Scheme	CSR00013371

(d) Amount Spent in Administrative Overheads

NIL

(e) Amount spent on Impact Assessment, if applicable

NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

₹ 88.52 lacs

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in lacs)
(i)	Two percent of average net profit of the company as per section 135(5)	79.20
(ii)	Total amount spent for the financial year	88.52
(iii)	Excess amount spent for the financial year [(ii)-(i)]	9.32
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	—
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	9.32



ANNEXURE 'D' TO THE DIRECTORS' REPORT

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

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

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

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

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

(a) Date of creation or acquisition of the capital asset(s).	Not applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	Not applicable
(c) Details of the entity of public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
(d) Provide details of the capital assets(s) created or acquired (including complete address and location of the capital asset).	Not applicable

Specify the reasons(s), if the company has failed to spend two percent of the average net profit as per Section 135(5).

Not Applicable

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

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

Sd/-
(Saravjit Singh Hothi)
Member
CSR Committee
(Independent Director)

Dated : 8th July, 2022



ANNEXURE 'E' TO THE DIRECTORS' REPORT

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2022

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

I. REGISTRATION & OTHER DETAILS:

i.	CIN	L15321PB1944PLC001925
ii.	Registration Date	16-03-1944
iii.	Name of the Company	THE SUKHJIT STARCH & CHEMICALS LIMITED
iv.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
v.	Address of the Registered office & contact details	SARAI ROAD, PHAGWARA, DISTT KAPURTHALA, 144401, INDIA Ph. No. : (01824) 468800, 260314 Email Id : sukhjit@sukhjitgroup.com Website : www.sukhjitgroup.com
vi.	Whether listed company	LISTED
vii.	Name , Address & contact details of the Registrar & Transfer Agent, if any.	SKYLINE FINANCIAL SERVICES, D-153A, 1ST FLOOR, OKHLA INDUSTRIAL AREA, PHASE-1, NEW DELHI-110020

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2021)				No. of Shares held at the end of the year (31.03.2022)				change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	No. of Shares	%
A. Promoters										
(1) Indian	84,62,061	-	84,62,061	57.33	92,98,665	-	92,98,665	59.52	8,36,604	2.19
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)	84,71,235	-	84,71,235	57.39	93,07,839	-	93,07,839	59.58	8,36,604	2.19
(2) Foreign										
a) NRI- Individuals	9,75,890	-	9,75,890	6.61	10,24,390	-	10,24,390	6.56	48,500	(0.05)
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	9,75,890	-	9,75,890	6.61	10,24,390	-	10,24,390	6.56	48,500	(0.05)
Total Shareholding of Promoter										
(A)=(A)(1)+(A)(2)	94,47,125	-	94,47,125	64.01	1,03,32,229	-	1,03,32,229	66.14	8,85,104	2.13
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	-	-	-	-	-	-	-	-	-	-
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)	-	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-	-
(2) Non Institutions										
a) Bodies corporates										
i) Indian	2,19,763	144	2,19,907	1.49	2,33,288	72	2,33,360	1.49	13,453	0.00
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	21,24,789	4,67,472	25,92,261	17.56	21,18,595	4,02,651	25,21,246	16.14	(71,015)	(1.42)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	16,96,774	1,12,233	18,09,007	12.26	18,38,207	26,038	1,864,245	11.93	55,238	(0.32)
c) Others (specify)	6,85,420	5,920	6,91,340	4.68	6,65,720	5,200	670,920	4.29	(20,420)	(0.39)
SUB TOTAL (B)(2):	47,26,746	5,85,769	53,12,515	35.99	48,55,810	433,961	5,289,771	33.86	(22,744)	(2.13)
Total Public Shareholding										
(B)= (B)(1)+(B)(2)	47,26,746	5,85,769	53,12,515	35.99	48,55,810	4,33,961	52,89,771	33.86	(22,744)	(2.13)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	1,41,73,871	5,85,769	1,47,59,640	100	1,51,88,039	4,33,961	1,56,22,000	100	8,62,360	0.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2021)			Shareholding at the end of the year (31.03.2022)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	MANJOO SARDANA	1503197	10.18	0	1696097	10.86	0	0.68
2	KULDIP KRISHAN SARDANA	1337709	9.06	0	1481123	9.48	0	0.42
3	DHIRAJ SARDANA	871362	5.90	0	957112	6.13	0	0.23
4	PANKAJ SARDANA	867194	5.88	0	953558	6.10	0	0.22
5	BHAVDEEP SARDANA	865782	5.87	0	951541	6.09	0	0.22
6	PUNEET SARDANA	863816	5.85	0	949566	6.08	0	0.23
7	KULDIP KRISHAN SARDANA HUF	286968	1.94	0	349718	2.24	0	0.30
8	SUMAN SARDANA	271588	1.84	0	271588	1.74	0	-0.10 *
9	INDER KRISHAN SARDANA HUF	268731	1.82	0	271476	1.74	0	-0.08 *
10	MEENAXI GADI	241376	1.64	0	241376	1.55	0	-0.09 *
11	NANDINI KAUSHIK	218372	1.48	0	220772	1.41	0	-0.07 *
12	NAVIN SARDANA	96172	0.65	0	108572	0.69	0	0.04
13	SURENDRA NATH GADI	94216	0.64	0	94216	0.60	0	-0.04 *
14	NALINI KALRA	88422	0.60	0	95422	0.61	0	0.01
15	SHALINI UMESH CHABLANI	87814	0.59	0	94814	0.61	0	0.02
16	ASHOK SARDANA	85800	0.58	0	87300	0.56	0	-0.02 *
17	PRABHA GROVER	85664	0.58	0	85664	0.55	0	-0.03 *
18	VERINDER KUMAR SARDANA	64184	0.43	0	69184	0.44	0	0.01
19	NANDINI OBEROI	47012	0.32	0	51012	0.33	0	0.01
20	PADMINI MONGIA	45952	0.31	0	45952	0.29	0	-0.02 *



ANNEXURE 'E' TO THE DIRECTORS' REPORT

21	SONIA MONGIA ADHIKARI	44832	0.30	0	44832	0.29	0	-0.01 *
22	RADHIKA MONGIA	44200	0.30	0	44200	0.28	0	-0.02 *
23	DIPTI SARDANA	15582	0.11	0	15582	0.10	0	-0.01 *
24	SONA SARDANA	12938	0.09	0	12938	0.08	0	-0.01 *
25	UMESH HIRANAND CHABLANI	1472	0.01	0	11472	0.07	0	0.06
26	DIPIKA SARDANA	11000	0.07	0	11000	0.07	0	0.00
27	UDAY PRATAP SARDANA	9080	0.06	0	9080	0.06	0	0.00
28	NIDHI SARDANA	8197	0.06	0	8197	0.05	0	-0.01 *
29	DIVYA SARDANA	7981	0.05	0	7981	0.05	0	0.00
30	VEER PRATAP SARDANA	6720	0.05	0	6720	0.04	0	-0.01 *
31	KABIR SARDANA	4800	0.03	0	25000	0.16	0	0.13
32	NIKHIL SARDANA	4800	0.03	0	25000	0.16	0	0.13
33	ROHIT GROVER	600	0.00	0	600	0.00	0	0.00
		8463533	57.34		9298665	59.52	0	2.18
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	185292	1.19	0	0.03
2	ROHINI SARDANA	121096	0.82	0	131096	0.84	0	0.02
3	RAVI CHOWDHRY**	597362	4.05	0	0	0	0	-4.05
4	ROSHINA MALIK	0	0	0	323681	2.07	0	2.07
5	ROHAN MALIK	0	0	0	298681	1.91	0	1.91
6	RATI LOHTIA	43136	0.29	0	43136	0.28	0	-0.01 *
7	RITU LOHTIA	42504	0.29	0	42504	0.27	0	-0.02 *
		975890	6.61	0	1024390	6.56	0	-0.05
	Total	9447125	64.01		10332229	66.14	0	2.13

(*) Decrease in the percentage is due to the increased base of the capital by issue of shares during the year & not due to sale of shares.

(**) Due to transmission of shares (on her demise) to Mrs. Roshina Malik & Mr. Rohan Malik (inter promoter).



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 (01.04.2021) / End of year (31.03.2022)		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	1503197	10.18	01.04.2021				
				13.08.2021	5100	Transfer	1508297	9.65
				20.08.2021	7000	Transfer	1515297	9.70
				27.08.2021	3700	Transfer	1518997	9.72
				10.09.2021	2100	Transfer	1521097	9.74
				28.03.2022	175000	Issue	1696097	10.86
		1696097	10.86	31.03.2022			1696097	10.86
2	Kuldip Krishan Sardana	1337709	9.06	01.04.2021				
				13.08.2021	5100	Transfer	1342809	8.60
				20.08.2021	7514	Transfer	1350323	8.64
				27.08.2021	3700	Transfer	1354023	8.67
				10.09.2021	2100	Transfer	1356123	8.68
				28.03.2022	125000	Issue	1481123	9.48
		1481123	9.48	31.03.2022			1481123	9.48
3	Dhiraj Sardana	871362	5.90	01.04.2021				
				09.04.2021	3500	Transfer	874862	5.60
				10.09.2021	1850	Transfer	876712	5.61
				28.03.2022	80400	Issue	957112	6.13
		957112	6.13	31.03.2022			957112	6.13
4	Pankaj Sardana	867194	5.88	01.04.2021				
				09.04.2021	4114	Transfer	871308	5.58
				10.09.2021	1850	Transfer	873158	5.59
				28.03.2022	80400	Issue	953558	6.10
		953558	6.10	31.03.2022			953558	6.10
5	Bhavdeep Sardana	865782	5.88	01.04.2021				
				09.04.2021	3509	Transfer	869291	5.56
				10.09.2021	1850	Transfer	871141	5.58
				28.03.2022	80400	Issue	951541	6.09
		951541	6.09	31.03.2022			951541	6.09
6	Puneet Sardana	863202	5.85	01.04.2021				
				09.04.2021	4114	Transfer	867316	5.55
				10.09.2021	1850	Transfer	869166	5.56
				28.03.2022	80400	Issue	949566	6.08
		949566	6.08	31.03.2022			949566	6.08
7	Ravi Chowdhry**	597362	4.05	01.04.2021				
				10.12.2021	597362	Transmission	0	4.05
		0	0	31.03.2022			0	0
8	Roshina Malik	0	0	01.04.2021				
				10.12.2021	298681	Transfer	298681	1.91
				28.03.2022	25000	Issue	323681	2.07
		323681	2.07	31.03.2022			323681	2.07
9	Rohan Malik	0	0	01.04.2021				
				10.12.2021	298681	Transfer	298681	1.91
		298681	1.91	31.03.2022			298681	1.91

(**) Due to transmission of shares (on her demise) to Mrs. Roshina Malik & Mr. Rohan Malik (inter promoter).



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2021) /End of year (31.03.2022)		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
10	Kuldip Krishan Sardana HUF	286968	1.94	01.04.2021				
				15.09.2021	2750	Transfer	289718	1.85
				28.03.2022	60000	Issue	349718	2.24
		349718	2.24	31.03.2022			349718	2.24
11	Inder Krishan Sardana HUF*	268726	1.84	01.04.2021				
				15.09.2021	2750	Transfer	271476	1.74
		271476	1.74	31.03.2022			271476	1.74
12	Nandini Kaushik*	218372	1.48	01.04.2021				
				04.03.2022	2400	Transfer	220772	1.41
		220772	1.41	31.03.2022			220772	1.41
13	Naresh Sardana	171792	1.16	01.04.2021				
				28.03.2022	13500	Issue	185292	1.19
		185292	1.19	31.03.2022			185292	1.19
14	Rohini Sardana	121096	0.82	01.04.2021				
				28.03.2022	10000	Issue	131096	0.84
		131096	0.84	31.03.2022			131096	0.84
15	Navin Sardana	96172	0.65	01.04.2021				
				04.03.2022	2400	Transfer	98572	0.63
				28.03.2022	10000	Issue	108572	0.69
		108572	0.69	31.03.2022			108572	0.69
16	Nalni Kalra	88422	0.60	01.04.2021				
				28.03.2022	7000	Issue	95422	0.61
		95422	0.61	31.03.2022			95422	0.61
17	Shalini Umesh Chablani	87814	0.59	01.04.2021				
				28.03.2022	7000	Issue	94814	0.61
		94814	0.61	31.03.2022			94814	0.61
18	Ashok Sardana*	85800	0.58	01.04.2021				
				28.03.2022	1500	Issue	87300	0.56
		87300	0.56	31.03.2022			87300	0.56
19	Verinder Kumar Sardana	68187	0.43	01.04.2021				
				28.03.2022	5000	Issue	73187	0.47
		73187	0.47	31.03.2022			73187	0.47
20	Nandini Oberoi	47012	0.32	01.04.2021				
				28.03.2022	4000	Issue	51012	0.33
		51012	0.33	31.03.2022			51012	0.33
21	Kabir Sardana	4800	0.03	01.04.2021				
				28.03.2022	20000	Issue	24800	0.16
		24800	0.16	31.03.2022			24800	0.16
22	Umesh Hira Chablani	1472	0.01	01.04.2021				
				28.03.2022	10000	Issue	11472	0.07
		11472	0.07	31.03.2022			11472	0.07

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

(*) Decrease in the percentage is due to the increased base of the capital by issue of shares during the year & not due to sale of shares.



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 (01.04.2021) /End of year (31.03.2022)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sudhir Sindhwani	225040	1.52	01.04.2021				
				28.03.2022	15000	Issue	240040	1.54
		240040	1.54	31.03.2022			240040	1.54
2	Manoj Kumar Agarwal	86868	0.59	01.04.2021				
				26.11.2021	-500	Transfer	86368	0.59
				07.01.2022	-500	Transfer	85868	0.58
				04.02.2022	-500	Transfer	85368	0.58
				18.02.2022	500	Transfer	85868	0.58
				04.03.2022	500	Transfer	86368	0.59
				18.03.2022	-1000	Transfer	85368	0.58
				25.03.2022	-500	Transfer	84868	0.58
		84868	0.58	31.03.2022			84868	0.58
3	Kapil Chopra	51118	0.35	01.04.2021				
				09.04.2021	10	Transfer	51128	0.33
				16.04.2021	43	Transfer	51171	0.33
				23.04.2021	103	Transfer	51274	0.33
				30.04.2021	141	Transfer	51415	0.33
				14.05.2021	1	Transfer	51416	0.33
				21.05.2021	5	Transfer	51421	0.33
				28.05.2021	5	Transfer	51426	0.33
				04.06.2021	221	Transfer	51647	0.33
				30.06.2021	300	Transfer	51947	0.33
				02.07.2021	241	Transfer	52188	0.33
				09.07.2021	52	Transfer	52240	0.33
				16.07.2021	121	Transfer	52361	0.34
				23.07.2021	169	Transfer	52530	0.34
				30.07.2021	21	Transfer	52551	0.34
				06.08.2021	1704	Transfer	54255	0.35
				13.08.2021	1	Transfer	54256	0.35
				20.08.2021	5170	Transfer	59426	0.38
				27.08.2021	1231	Transfer	60657	0.39
				03.09.2021	4277	Transfer	64934	0.42
				10.09.2021	120	Transfer	65054	0.42
				17.09.2021	720	Transfer	65774	0.42
				24.09.2021	1280	Transfer	67054	0.43
				30.09.2021	22	Transfer	67076	0.43
				29.10.2021	32	Transfer	67108	0.43
				12.11.2021	1386	Transfer	68494	0.44
				26.11.2021	600	Transfer	69094	0.44
				10.12.2021	536	Transfer	69630	0.45
				24.12.2021	101	Transfer	69731	0.45
				07.01.2022	730	Transfer	70461	0.45
				14.01.2022	6545	Transfer	77006	0.49
				21.01.2022	409	Transfer	77415	0.50
				28.01.2022	457	Transfer	77872	0.50
				04.02.2022	1342	Transfer	79214	0.51
				11.02.2022	1	Transfer	79215	0.51
				04.03.2022	12	Transfer	79227	0.51
		79227	0.51	31.03.2022			79227	0.51



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2021) / End of year (31.03.2022)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
4	Anuradha Agarwal*	76017	0.52	01.04.2021				
						No Change		
		76017	0.49	31.03.2022			76017	0.49
5	Satish Chandra Jindal*	70440	0.48	01.04.2021				
						No Change		
		70440	0.45	31.03.2022			70440	0.45
6	Sangeetha S	61900	0.40	01.04.2021				
				13.08.2021	-100	Transfer	61800	0.40
				15.09.2021	-400	Transfer	61400	0.39
				22.10.2021	-150	Transfer	61250	0.39
				14.01.2022	-250	Transfer	61000	0.39
		61000	0.39	31.03.2022			61000	0.39
7	Asshray Agarwal*	60218	0.41	01.04.2021				
						No Change		
		60218	0.39	31.03.2022			60218	0.39
8	Ajay Chandra Agarwal	74200	0.50	01.04.2021				
				28.05.2021	-100	Transfer	74100	0.47
				30.06.2021	-1100	Transfer	73000	0.47
				30.07.2021	-500	Transfer	72500	0.46
				20.08.2021	-500	Transfer	72000	0.46
				15.09.2021	-3000	Transfer	69000	0.44
				17.09.2021	-1000	Transfer	68000	0.44
				12.11.2021	-8000	Transfer	60000	0.38
				28.01.2022	-2000	Transfer	58000	0.37
				04.02.2022	-500	Transfer	57500	0.37
		57500	0.37	31.03.2022			57500	0.37
9	Satpal Manaktala	-	-	01.04.2021				
				10.07.2021	53612	Transfer	53612	0.34
		53612	0.34	31.03.2022			53612	0.34
10	Seetha Kumari*	53448	0.36	01.04.2021				
						No Change		
		53448	0.34	31.03.2022			53448	0.34
11	Trilok Nath Sidhwani*	53400	0.36	01.04.2021				
						No Change		
		53400	0.34	31.03.2022			53400	0.34

(*) Decrease in the percentage is due to the increased base of the capital by issue of shares during the year & not due to sale of shares.



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 (01.04.2021) / End of year (31.03.2022)		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	1503197	10.18	01.04.2021				
	(Non-Executive Chairperson)			13.08.2021	5100	Transfer	1508297	9.65
				20.08.2021	7000	Transfer	1515297	9.70
				27.08.2021	3700	Transfer	1518997	9.72
				10.09.2021	2100	Transfer	1521097	9.74
				28.03.2022	175000	Issue	1696097	10.86
		1696097	10.86	31.03.2022			1696097	10.86
2	Kuldip Krishan Sardana	1337709	9.06	01.04.2021				
	(Managing Director)			13.08.2021	5100	Transfer	1342809	8.60
				20.08.2021	7514	Transfer	1350323	8.64
				27.08.2021	3700	Transfer	1354023	8.67
				10.09.2021	2100	Transfer	1356123	8.68
				28.03.2022	125000	Issue	1481123	9.48
		1481123	9.48	31.03.2022			1481123	9.48
3	Tarsem Singh Lally	-	-	01.04.2021				
	(Independent Director)					No Change		
		-	-	31.03.2022			-	-
4	Ranbir Singh Seehra	500	0.01	01.04.2021				
	(Independent Director)			28.03.2022	2500	Issue	3000	0.02
		3000	0.02	31.03.2022			3000	0.02
5	Saravjit Singh Hothi	0	-	01.04.2021				
	(Independent Director)					No Change		
		0	-	31.03.2022			0	-
6	Vikas Uppal	-	-	01.04.2021				
	(Independent Director)			28.03.2022	2500	Issue	2500	0.02
		2500	0.02	31.03.2022			2500	0.02
7	Shalini Umesh Chablani	87814	0.59	01.04.2021				
	(Non- Executive Director)			28.03.2022	7000	Issue	94814	0.61
		94814	0.61	31.03.2022			94814	0.61
8	M G Sharma	120	0.00	01.04.2021				
	(Executive Director (Fin) & CFO)			28.03.2022	5200	Issue	5320	0.03
		5320	0.03	31.03.2022			5320	0.03
9	Aman Setia	-	-	01.04.2021				
	(Vice President Finance & Company Secretary)					No Change		
		-	-	31.03.2022			-	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

IX. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	19,129.77	6,927.66	26,057.43
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	392.43	392.43
Total (i+ii+iii)	19,129.77	7,320.09	26,449.86
Change in Indebtedness during the financial year			
Additions	-	-	-
Reduction	(2,263.03)	(735.69)	(2,998.72)
Net Change	(2,263.03)	(735.69)	(2,998.72)
Indebtedness at the end of the financial year			
i) Principal Amount	16,866.74	6,584.40	23,451.14
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	368.40	368.40
Total (i+ii+iii)	16,866.74	6,952.80	23,819.54

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. K.K. Sardana	Sh. M.G. Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	83.40	42.19	125.59
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	10.03	1.50	11.53
2	Commission	53.20	-	53.20
3	Others (Retirement Benefits)	6.70	2.33	9.03
	Total (A)	153.33	46.02	199.35
	Ceiling as per the Act			1080.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS :

S.No	Particulars of Remuneration	Name of the Directors					Total Amount
1	Independent Directors	Sh. Tarsem Singh Lally	Sh. Ranbir Singh Seehra	Sh. Vikas Uppal	Smt. Ruby Agarwal	Sh. Saravjit Singh Hothi	
	(a) Fee for attending board / committee meetings	0.81	0.63	0.81	–	0.72	2.97
	(b) Commission	5.00	5.00	5.00	0.83*	4.17*	20.00
	Total (1)	5.81	5.63	5.81	0.83	4.89	22.97
2	Other Non Executive Directors	Smt. Manjoo Sardana		Smt. Shalini Umesh Chablani			
	(a) Fee for attending board / committee meetings	0.90		0.72			1.62
	(b) Commission	17.73		17.73			35.46
	Total (2)	18.63		18.45			37.08
	Total (B)=(1+2)						60.05
	Total Managerial Remuneration excl. Sitting fees						55.46
	Overall Ceiling as per the Act.						108.00

(*) Worked out according to the period served on the Board of Directors of the Company.

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

S.No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	Company Secretary
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	31.88
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	–
2	Others (Retirement Benefits)	3.26
	Total	35.14

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/water resources :

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

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

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

Technology Absorption

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

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

Research & Development

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

Expenditure on R & D

The Company has spent about ₹ 16.58 lacs during the year under reference (₹ 70.30 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their applications.

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 1,231.12 lacs (₹ 263.03 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 2.78 lacs (₹ 297.86 lacs during previous year), Spare parts, components and consumables of ₹ 46.75 lacs (₹ 19.96 lacs during previous year) and Nil Raw Material (₹ 566.85 lacs during previous year) on a C.I.F. basis.



ANNEXURE 'G' TO THE DIRECTORS' REPORT

FORM AOC-2

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2022, which were not at arm's length basis.

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

There were no material contracts or arrangements, or transactions entered into during the year ended 31st March, 2022.

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



ANNEXURE 'H' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To

The Members

The Sukhjit Starch & Chemicals Limited

Sarai Road, Phagwara

Distt. Kapurthala - 144001, Punjab

Sir,

We have conducted the Secretarial Audit for the Financial Year 2021-2022 for the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s The Sukhjit Starch and Chemicals Limited (hereinafter referred to as the 'Company'). Our report of even date is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a reasonable basis for our opinion.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dinesh Gupta & Co.

Company Secretaries

Sd/-

CS Dinesh Gupta

(Partner)

M.No. 3462, COP No. 1947

UDIN : F003462D000429701

Place : Jalandhar

Dated : 30th May, 2022



ANNEXURE 'H' TO THE DIRECTORS' REPORT

FORM No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended March 31, 2022

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

To

The Members

The Sukhjit Starch & Chemicals Limited

Sarai Road, Phagwara

Distt. Kapurthala - 144001, Punjab

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s The Sukhjit Starch & Chemicals Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);



ANNEXURE 'H' TO THE DIRECTORS' REPORT

- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; (To the extent applicable to the Company);
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
- (ii) The Uniform Listing Agreement for equity shares entered into by the Company with BSE Limited.

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

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

We further report that :

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

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

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

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
M.No. 3462, COP No. : 1947
UDIN : F003462D000429701

Place : Jalandhar
Dated : 30th May, 2022



SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY

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

Sir,

We have conducted the Secretarial Audit for the Financial Year 2021-2022 for the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sukhjit Mega Food Park & Infra Limited (CIN: U45209PB2015PLC039547)**, an unlisted Public Company (hereinafter referred to as the 'Company'). Our report of even date is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a reasonable basis for our opinion.
4. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
M.No. 3462, COP No. : 1947
UDIN : F003462C000380982

Place : Jalandhar
Dated : 25th May, 2022



SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY

FORM No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2022

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s Sukhjit Mega Food Park & Infra Limited (CIN: U45209PB2015PLC039547)** (hereinafter called '**the Company**'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter: We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not Applicable to the Company);
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; ((Not Applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (To the extent applicable to the Company during the Audit Period);
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the Company during the Audit Period);
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (To the extent applicable to the Company during the Audit Period)*;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit Period);



SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; (To the extent applicable to the Company during the Audit Period);
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit Period);
- (i) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998; (Not Applicable to the Company during the Audit Period);

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

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

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

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

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

We further report that:

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

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

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

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
M.No. 3462, COP No. : 1947
UDIN : F003462C000380982

Place : Jalandhar
Dated : 25th May, 2022



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

Dear Sir/Madam,

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, it is hereby certified that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 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 DIRECTOR	08533106	08/08/2019
2	Sh. KULDIP KRISHAN SARDANA	MANAGING DIRECTOR	00398376	01/09/1990
3	Sh. MADAN GOPAL SHARMA	EXECUTIVE DIRECTOR & CFO	00398326	01/08/2016
4	Sh. TARSEM SINGH LALLY	INDEPENDENT DIRECTOR	00381009	13/08/2020
5	S. RANBIR SINGH SEEHRA	INDEPENDENT DIRECTOR	01572708	01/04/2019
6	Mr. SARAVJIT SINGH HOTH	INDEPENDENT DIRECTOR	09182046	31/05/2021
7	Sh. VIKAS UPPAL	INDEPENDENT DIRECTOR	00796828	21/01/2020
8	Smt. SHALINI UMESH CHABLANI	NON - EXECUTIVE DIRECTOR	00885883	21/01/2020

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

For Dinesh Gupta & Co
(Company Secretaries)

Sd/-

Dinesh Gupta
(Partner)

Date : 30th May, 2022
Place : Jalandhar

M. No. F3462; COP No. 1947
UDIN: F003462D000428911



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, 2022.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

Sd/-

(K.K. SARDANA)
Managing Director

Place : Phagwara

Dated : 30th May, 2022

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, 2022 as stipulated in schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2022, 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 : 30th May, 2022

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, 2022 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 : 30th May, 2022



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, 2022, 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, 2022, 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 as per sales orders/execution as per sale contracts or timely performance as per the schedule of supply.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
	<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>
Property Plant and Equipment (PPE) and Capital WIP	
<p>The Company has commissioned its new manufacturing facility with 600 TPD grinding capacity in Punjab. The project has been capitalized and depreciation has been claimed on addition in Property Plant and Equipment (PPEs). Any inappropriate timing of capitalization of the project and/or classification of categories of items of PPE may result in material misstatement of Capital work-in-progress/ PPE with a consequent impact on depreciation charge and results for the year.</p>	<p>Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation. We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories of PPEs with the necessary apportionment of expenses etc. for capitalization and capital WIP included only those items which were incomplete and required more time & expenditure for their commissioning/operationalization & get ready for use (after the close of the relevant financial year).</p>
Inventory	
<p>The Company recognized 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 control procedures, system of accounting for receipt and issue of material with appropriate records for balance of stock on a daily basis, to assess compliance with the Company process and made enquiries regarding non-moving or obsolete inventory items and their write offs. 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>
Receivables and ageing	
<p>Receivables has been considered a key audit matter due to element of judgment involved in overall management assessment of the customers' ability to repay the outstanding balances within due time.</p>	<p>We have assessed the trade receivables and ageing of trade receivables and found that the Company its receivables at a reasonable level with timely receipt of the sale proceeds as per trade practice in the related industry. Further, we have found that receivables are fairly recoverable & appropriate provision has been made where found necessary.</p>



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.

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.



INDEPENDENT AUDITORS' REPORT

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2020 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclose in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that :
 - (i) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (iii) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



INDEPENDENT AUDITORS' REPORT

- (iv) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (v) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
- (vi) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in "Annexure B".
- (vii) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
- (viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (d) (i) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (i) and (ii) of Rule 11(e), as provided under h (iv) (a) and (b) above, contain any material misstatement.
- (e) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

UDIN. 22507087AJWHWT1775

Place : Phagwara
Dated : 30th May, 2022



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 2022, we report that :

1. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
(b) The Company has a program of verification to cover all the items of Property, Plant and Equipment in a phased manner over a period of 3 to 5 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.
(e) No proceedings have been initiated or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2. (a) The inventories have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories.
(b) According to the information and explanations given to us, the Company has been sanctioned / renewed working capital limits in excess of 5 crores, in aggregate, at points of time during the year, from bank(s) on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly statements filed by the Company with the bank(s) are in agreement with the audited books of account of the Company of the respective quarters.
3. (a) The Company has not made any third party investment or provided any third party guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. However it has advanced unsecured amount of ₹ 27.63 crores to its subsidiaries companies during the year under reference. The total outstanding amount as on the year end was ₹ 51.92 crores. It mainly include ₹ 49.13 Crores receivable from Sukhjit Mega Food Park & Infra Ltd. The said amount has been advanced without specifying any terms or period of repayment. Hence sub-clauses (c), (d), (e) (under clause (iii) of the Order) are not applicable. As per the information and explanations given to us, the major amount is recoverable from the company out of the balance amount of grant receivable from the Ministry of Food Processing Industries, Govt. of India and / or sale of infrastructural facilities / utilities, which are estimated at around ₹ 50 crores a year.
(b) The said advances are, prima facie, not prejudicial to the Company's interest.



INDEPENDENT AUDITORS' REPORT

4. According to the information and explanations given to us, there is no loan to any director including entities in which the directors are interested. So, the provisions of section 185 and 186 of the Act, in respect of the said loans and advances given, investments made, guarantees & securities given are not applicable to the Company.
5. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
7. (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2022, 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 ₹ 34.45 Crores. The amount mainly includes :
 - ₹ 28.93 Crores is the disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. The product has been repeatedly tested by the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not fore see any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
 - ₹ 2.19 Crores include demand issued by Assistant commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of the company's product (Cattle Feed) to be taxable under GST Act. The matter is pending with the said Authorities. However, it has been proved to the satisfaction of the Deptt. that the product has been sold and used as cattle feed fully exempt under the relevant chapter of the GST. So, there does not appear any liability on this front.
 - ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. The company's petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly. The matter is pending before the Hon'ble High Court of Andhra Pradesh.



INDEPENDENT AUDITORS' REPORT

- ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing company's claim for an item against the law settled by the Hon'ble Supreme Court and by ignoring the fact that the same deduction has been claimed by the company and allowed by the department in earlier years on the same grounds and same basis. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals).
8. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
 9. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
(c) The Term Loans have been applied for the purpose for which they were obtained and there has been no diversion of any kind.
(d) On an overall examination of the Financial Statements of the Company, funds raised on short-term basis have, prima facie, not been utilised during the year for long-term purposes by the Company.
(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
 10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
(b) The Company has issued 862360 Equity Shares @ ₹ 300/- per Equity Share of face value of ₹ 10/- each (i.e. at a premium of ₹ 290/- per Equity Share) on a preferential basis to Promoter/ Promoter Group and Non Promoter/ Public. The requirements of section 42 and section 62 of the Companies Act, 2013 have been duly complied with and the funds raised have been used for the purposes for which the funds were raised.
 11. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(c) There was no whistle blower complaint received by the Company during the year.
 12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
 13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
 14. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31st March, 2022.



INDEPENDENT AUDITORS' REPORT

15. In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b), (c) and (d) of the Order are not applicable.
17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
21. There has been no qualification or adverse remark by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements.

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

Sd/-
(AMIT CHADHA)

Partner

Memb. No. 507087

UDIN. 22507087AJWHWT1775

Place : Phagwara.
Dated : 30th May, 2022



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, 2022 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, 2022, 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

UDIN. 22507087AJWHWT1775

Place : Phagwara.

Dated : 30th May, 2022



BALANCE SHEET AS ON 31ST MARCH, 2022

	NOTE	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	35,706.18	35,317.58
(b) Right to use Asset	3	325.49	334.41
(c) Capital Work-in-progress	4	6,387.66	6,682.24
(d) Investment Property	5	2,036.04	2,035.36
(e) Other Intangible Assets	3	3.30	4.53
(f) Financial Assets - Investments	6	3,852.66	3,852.66
(g) Other Non Current Assets	7	2,420.05	268.77
		<u>50,731.38</u>	<u>48,495.56</u>
2. CURRENT ASSETS			
(a) Inventories	8	9,605.19	10,085.16
(b) Financial Assets			
(i) Investments	9	6,590.56	869.10
(ii) Trade Receivables	10	6,697.34	6,238.97
(iii) Cash & Cash Equivalents	11	113.76	123.35
(iv) Bank Balance other than (iii)	12	1,069.36	1,052.31
(v) Other Financial Assets	13	3,248.02	3,365.07
(c) Income Tax Asset (net)	14	-	176.69
(d) Other Current Assets	15	213.56	220.59
		<u>27,537.79</u>	<u>22,131.24</u>
	TOTAL	<u>78,269.17</u>	<u>70,626.79</u>
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	1,562.20	1,475.96
(b) Other Equity	17	40,916.56	32,567.42
		<u>42,478.76</u>	<u>34,043.38</u>
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities - Borrowings	18	11,596.38	15,449.23
(b) Lease Liability	19	395.47	375.24
(c) Deferred Tax Liabilities (Net)	20	2,529.29	2,259.55
(d) Deferred Income-Govt. Grant(s)	21	74.00	78.00
(e) Other Non Current Liabilities	21	1,704.07	2,559.15
		<u>16,299.21</u>	<u>20,721.17</u>
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	22	10,845.17	8,598.61
(ii) Trade Payable			
- Micro, Small & Medium Enterprises	23	374.51	325.62
- Others	23	4,303.26	3,785.51
(b) Income Tax Liability (net)	24	213.99	-
(c) Other Current Liabilities	25	3,754.27	3,152.50
		<u>19,491.20</u>	<u>15,862.24</u>
	TOTAL	<u>78,269.17</u>	<u>70,626.79</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 : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARABJIT SINGH HOTHI



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2022 (₹ LACS)	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)
1. Revenue From Operations	26	115675.67	69,853.21
2. Other Income	27	164.38	425.31
3. Total Revenue		115840.05	70,278.52
4. Expenses :			
Cost of Materials Consumed	28	76,679.40	47,802.14
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	29	1,270.90	(154.73)
Employee Benefits Expenses	30	5,241.23	4,198.69
Financial Costs	31	2,087.79	2,057.99
Depreciation and Amortisation Exp.	3	2,474.36	1,772.09
Other Expenses	32	17,345.21	11,575.88
Total Expenses		1,05,098.89	67,252.03
5. Profit Before Tax (3-4)		10,741.16	3,026.46
6. Tax Expense :			
- Current Tax	2,500.00		625.00
- Deferred Tax	260.00		140.00
- Taxes Relating to Previous Year	252.47		-
		3,012.47	765.00
7. Profit for the year (5-6)		7,728.69	2,261.46
8. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		15.24	(9.61)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		(3.83)	2.42
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		95.61	32.31
(b) Income tax relating to items that will be reclassified to Profit & Loss		(24.06)	(8.13)
9. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)		7,811.65	2,278.45
10. Earning per equity share :			
(a) Basic		49.47 (*)	15.32
(b) Diluted		49.47 (*)	15.32

(*) On the increased capital of 15622000 equity shares against 14759640 equity shares previous year.

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Sd/-
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Dated : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARABJIT SINGH HOTHI



STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e. 1st April, 2021	417.67	–	29,246.35	2,877.59	25.81	32,567.42
Profit for the year				7,728.69		7,728.69
Other Comprehensive Income					82.95	82.95
Security Premium		2,500.84				2,500.84
Dividends				(1,918.75)		(1,918.75)
Transfer to General Reserve			7,000.00	(7,000.00)		–
OCI reclassified to P&L					(44.59)	(44.59)
Balance at the end of the reporting period i.e. 31st March, 2022	417.67	2,500.84	36,246.35	1,687.53	64.17	40,916.56
AS ON 31 MARCH 2021						
Balance at the beginning of the reporting period i.e. 1st April, 2020	417.67	–	26,746.35	3,411.32	13.99	30,589.33
Profit for the year				2,261.46		2,261.46
Other Comprehensive Income					16.99	16.99
Dividends				(295.19)		(295.19)
Transfer to General Reserve			2,500.00	(2,500.00)		–
OCI reclassified to P&L					(5.17)	(5.17)
Balance at the end of the reporting period i.e. 31st March, 2021	417.67	–	29,246.35	2,877.59	25.81	32,567.42

Notes :

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	For the Year Ended 31st March, 2022 (₹ Lacs)	For the Year Ended 31st March, 2021 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	10,741.16	3,026.46
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	2,474.37	1,772.09
Provision	10.69	(22.64)
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(58.86)	(97.88)
Interest paid	2,001.80	1,980.39
(Profit) Loss on sale of investments/assets	(54.43)	(321.21)
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	15,114.73	6,337.21
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(344.97)	(2,151.96)
Inventories	479.96	5,124.96
Trade Payables	566.63	(11.26)
Other Liabilities	578.32	275.13
NET FLOWS FROM OPERATING ACTIVITIES	16,394.67	9,574.08
Net Direct Taxes Paid	(2,280.50)	(543.93)
NET FLOWS FROM OPERATING ACTIVITIES	14,114.17	9,030.15
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,678.80)	(4,845.50)
Sale of Investments/Assets	174.99	348.75
Other Investments	(7,873.43)	266.96
Interest received	58.86	97.88
NET FLOWS FROM INVESTING ACTIVITIES	(10,318.38)	(4,131.91)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	2,246.56	(3,144.73)
Term Loans raised	1,000.00	448.00
Repayment of Term Loan	(4,509.59)	(1,468.84)
Other Loans raised/(Repaid)	(1,198.34)	1,516.83
Equity Share Capital and Security Premium	2,587.08	—
Dividends paid	(1,895.30)	(298.83)
Lease Liability	(16.94)	(16.45)
Interest paid	(2,001.80)	(1,980.39)
NET FLOWS FROM FINANCING ACTIVITIES	(3,788.33)	(4,944.41)
Net Cash Flows during the year	7.46	(46.16)
Cash & cash equivalents at the beginning of the year	1,175.66	1,221.82
Cash & cash equivalents at the end of the year	1,183.12	1,175.66

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Place : Phagwara
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SARABJIT SINGH HOTHI



NOTES

Forming part of the standalone financial statements for the year ended 31st March, 2022.

1(A). CORPORATE INFORMATION

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

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

The Company is listed on the Bombay Stock Exchange Ltd. (BSE). The standalone financial statements for the year ended March 31, 2022 were approved by the Board of Directors on 30th May, 2022.

1(B). STATEMENT OF COMPLIANCE & BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(A) Use of Estimates, judgments and assumptions

The preparation of financial statements and disclosures made therein require the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and based upon the reasonable evaluation of relevant facts and circumstances as on the date of financial statements. Actual results could differ from these estimates materiality in case of certain items like provision of employee benefits, residual life of property, plant & equipment and intangible assets, valuation of estimates or provision for bad & doubtful debts. The necessary information concerning estimates is given in the respective notes with information about basis of calculation for each affected line item in the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods

(B) Property, Plant and Equipment

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



- (i) The cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. The cost includes cost of replacing parts of plant and equipment, if recognition criteria are met. Cost of major inspections, dismantling / removing and site restoration costs are ascertained & capitalized. Such Costs also include borrowing cost if the recognition criteria are met. All other repair & maintenance costs are recognized in statement of Profit & Loss.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method according to the expected life span of assets and on other fixed assets on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013 : Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) Depreciation on additions is provided on pro- rata basis from the month of such addition. The residual values, useful life of property, plant & equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.
- (iv) During disposal of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.

(C) Intangible Assets

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

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

(D) Investment and Financial Assets

(i) Investment in Subsidiaries

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

(ii) Other Investments and Financial Assets

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

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

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

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



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

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

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

Level 1 :

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

Level 2 :

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

Level 3 :

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

(E) Inventories

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

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



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

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

(F) Cash and Cash Equivalents

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

(G) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed 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 asset is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

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

(H) Lease assets

The company recognises Right-Of-Use Asset (ROU Asset) held under a lease under the 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 Ind AS 116. For the reporting year, the carrying amount of ROU Asset is an amount equal to the carrying amount of the lease liability on the transition date computed as present value of all future lease payments discounted at an interest rate implicit in the lease.

(I) Revenue Recognition

(A) Sale of Goods

- (a) Revenue is recognized on the transfer of goods to a customer for an amount that reflects the consideration to which company expects to be entitled in exchange for those goods.
- (b) Revenue is measured at the fair value received or receivable net of discounts, quantity rebates or incentives and taxes on sales. The amount received / receivable from the customer is recognised as sales revenue after the control over the goods sold are transferred to the customer which is generally dispatch of goods.
- (c) Variable consideration includes quantity rebates, discounts etc which are estimated at the contract inception and constrained until it is highly possible that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Using the practical expedient in AS115, the company does not adjust the promised consideration for the effects of a significant financing component concerning the short term advances, if any received from its customers.
- (B) Dividends are recognised in profit & loss account only when right to receive payment is established,
- (C) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.
- (D) Insurance or other claims are accounted for on the basis of claims admitted by the insurers.

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

The company's financial statements are presented in INR, which is also the company's functional currency. Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions which remain unsettled as on the balance sheet date are translated at the contracted rates (where applicable) 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.
- (M) 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.
- (N) Borrowing Cost**

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

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

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

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



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE : 3	FIXED ASSETS AS ON 31ST MARCH, 2022										Amount (₹ Lacs)	
	TANGIBLE ASSETS					INTANGIBLE ASSETS						
ASSETS	LAND	RIGHT TO USE ASSET (LAND)	BUILDING & FIXTURE	FURNITURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	INTANGIBLE ASSETS (COMPUTER SOFTWARE)	PREVIOUS YEAR		
COST												
Cost as on 01.04.2021	1,356.05	352.24	13,519.78	520.43	34,434.60	1,835.56	414.29	52,432.95	41.63	52,474.58	36,288.10	
Additions	3.29	--	997.66	33.26	1,472.12	114.03	353.02	2,973.38	--	2,973.38	16,218.97	
Sale/Adjustments	--	--	--	--	213.22	--	163.04	376.26	--	376.26	32.49	
Total as on 31.03.2022	1,359.34	352.24	14,517.44	553.69	35,693.50	1,949.59	604.27	55,030.07	41.63	55,071.70	52,474.58	
DEPRECIATION												
Upto 31.03.2021	--	17.83	4,372.90	278.00	10,698.11	1,021.53	392.59	16,780.96	37.10	16,818.06	15,050.93	
For the Year	--	8.92	832.29	70.37	1,303.95	221.62	35.98	2,473.13	1.23	2,474.36	1,772.09	
On Sale/Adjustments	--	--	--	--	104.04	--	151.65	255.69	--	255.69	4.96	
Upto 31.03.2022	--	26.75	5,205.19	348.37	11,898.02	1,243.15	276.92	18,998.40	38.33	19,036.73	16,818.06	
NET VALUE												
As at 31.03.2022	1,359.34	325.49	9,312.24	205.31	23,795.48	706.44	327.35	36,031.67	3.30	36,034.95	35,656.52	
As at 31.03.2021	1,356.05	334.41	9,146.88	242.43	23,736.49	814.03	21.70	35,651.99	4.53	35,656.52		
<p>(a) The title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.</p> <p>(b) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.</p>												



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

AS ON 31.03.2022
(₹ LACS)

AS ON 31.03.2021
(₹ LACS)

NON CURRENT ASSETS

4. CAPITAL WORK-IN-PROGRESS

Building under Construction	735.94	1,171.35
Machinery under Errection	5,619.67	5,478.47
Electric Installation	—	20.86
Advance against Capital Goods	32.05	11.56
	<u>6,387.66</u>	<u>6,682.24</u>

CWIP Ageing Schedule (#)

(Amt. in ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22					
Project in progress	1,115.10	1,494.97	3,446.32 (*)	299.22 (*)	6,355.61
Projects temporarily suspended	—	—	—	—	—
FY 2020-21					
Project in progress	1,850.59	4,033.85 (*)	786.24 (*)	—	6,670.68
Projects temporarily suspended	—	—	—	—	—

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

(#) Excluding advance against Capital Goods

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

5. INVESTMENT PROPERTY

Land	1,599.34	1,598.66
Advances against Purchase of Property	436.70	436.70
	<u>2,036.04</u>	<u>2,035.36</u>

Market Value of Land Property ₹ 1,786.50 lacs

Total Value of Investment Property is ₹ 2,223.20 lacs including ₹ 436.70 lacs advance (P.Y. ₹ 2,223.20 lacs)

Depreciation has not been provided.

FINANCIAL ASSETS

6. INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS

UN-QUOTED FULLY PAID (AT COST)

IN SUBSIDIARIES :

(i) The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value ₹ 10/- each	20.90	20.90
(ii) Sukhjit Mega Food Park & Infra Ltd. 33910272 Shares (Prev. Year 33910272 shares) of face value ₹ 10/- each	3,391.03	3,391.03
(iii) Scott Industries Limited 4400000 shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	<u>3,851.93</u>	<u>3,851.93</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
INVESTMENT IN EQUITY INSTRUMENTS		
UN-QUOTED FULLY PAID UP (OTHERS)		
INVESTMENT IN GOVT. SECURITIES - UNQUOTED		
National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
	<u>3,852.66</u>	<u>3,852.66</u>

Aggregate Amount of Unquoted Investments - ₹ 3,852.66 lacs (PY ₹ 3,852.66 lacs)

Provision of ₹ 400 lacs (PY ₹ 400 lacs) has been made for the impairment in value of investment in one of the subsidiaries i.e. M/s Scott Industries Ltd. (Note no. 21)

7. OTHER NON CURRENT ASSETS

Unsecured - Considered Good Security / Other Deposits	256.95	268.77
Advance to Subsidiary	<u>2,163.10</u>	<u>-</u>
	<u>2,420.05</u>	<u>268.77</u>

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

Type of Borrower	As on 31.03.2022		As on 31.03.2021	
	Amount of loans/ advances	%age to Total Loan/advances in the nature of loans	Amount of loans/ advances	%age to Total Loan/advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties (Subsidiary Company)	2,163.10	100.00	-	-

CURRENT ASSETS

8. INVENTORIES

Raw Materials Basic	4,984.92	3,981.38
Stock in Process	1,280.82	1,058.90
Finished Goods	1,536.35	3,029.17
Stores, Spares, Fuel & Other Raw Materials	1,779.58	1,992.41
Loose Tools	23.52	23.30
	<u>9,605.19</u>	<u>10,085.16</u>

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



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
FINANCIAL ASSETS		
9. INVESTMENTS		
INVESTMENT (AT FAIR VALUE)		
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED :		
(i) HDFC Banking and PSU Debt Fund 10634207.264 units (Prev. Year 3100645.353 units)	2,037.51	565.85
(ii) HDFC Short Term Debt Fund 17364802.140 units (Prev. Year Nil units)	4,553.05	–
	<u>6,590.56</u>	<u>565.85</u>
INVESTMENT IN BONDS/DEBENTURES		
QUOTED :		
Tata Power Co. Ltd.	–	303.25
Nil Non Convertible Secured Debentures (Prev. Year 30 Deb.) of Rs. 10,00,000/- each		
	<u>6,590.56</u>	<u>869.10</u>
Aggregate Amount of Unquoted Investments - ₹ 6,590.56 lacs (P.Y. ₹ 565.85 lacs)		
Aggregate Amount of Quoted Investments - ₹ Nil lacs (P.Y. ₹ 303.25 lacs)		
10. TRADE RECEIVABLES		
Considered Good	6,697.34	6,238.97
Considered Doubtful	118.67	107.98
	<u>6,816.01</u>	<u>6,346.95</u>
Less : Provision for Doubtful debts	118.67	107.98
	<u>6,697.34</u>	<u>6,238.97</u>

Trade Receivable ageing Schedule

(Amt. in ₹ lacs)

Particulars	Outstanding for following periods from due date of payment/date of transaction					Total
	Less than 180 days	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22						
(i) Undisputed - considered good	6,650.97	22.10	7.56	16.71	–	6,697.34
(ii) Undisputed - considered doubtful	–	–	–	–	–	–
(iii) Disputed - considered good	–	–	–	–	–	–
(iv) Disputed - considered doubtful	–	–	–	–	118.67	118.67
	6,650.97	22.10	7.56	16.71	118.67	6,816.01
Less: Provision for doubtful debts						118.67
						<u>6,697.34</u>
FY 2020-21						
(i) Undisputed - considered good	6,179.64	21.47	20.09	18.05	–	6,238.97
(ii) Undisputed - considered doubtful	–	–	–	–	–	–
(iii) Disputed - considered good	–	–	–	–	–	–
(iv) Disputed - considered doubtful	–	–	–	–	107.98	107.98
	6,179.64	21.47	20.09	18.05	107.98	6,346.95
Less: Provision for doubtful debts						107.98
						<u>6,238.97</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
11. CASH AND CASH EQUIVALENTS		
Cash in Hand	41.51	28.45
Balance with Scheduled Banks in - Current Accounts	72.25	94.90
	<u>113.76</u>	<u>123.35</u>
12. BANK BALANCES		
Balance with Scheduled Banks in Unclaimed Divident Accounts	104.04	80.59
Margin Money Accounts (*)	165.27	155.79
Fixed Deposit Accounts (**)	800.05	815.93
	<u>1,069.36</u>	<u>1,052.31</u>
(*) Include Balances of ₹ 56.80 lacs (P.Y. ₹ 55.46 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 (*)	133.52	711.20
Advances to Subsidiaries	3,029.39	2,429.16
Other Advances	85.11	224.71
	<u>3,248.02</u>	<u>3,365.07</u>
(*) Include ₹ 28.70 lacs (P.Y. ₹ 21.62 lacs) as Advances to Sundry Suppliers for purchahse of materials.		
₹ 3,029.39 lacs (P.Y. ₹ 2,429.16 lacs) are advances to subsidiaries against supply of goods/services.		
14. INCOME TAX ASSETS (NET)		
Income Tax in advance	-	4,595.65
Less : Provision for Tax	-	4,418.96
	<u>-</u>	<u>176.69</u>
15. OTHER CURRENT ASSETS		
Prepaid Expenses	153.28	142.60
Interest & Other recoverables	60.28	77.99
	<u>213.56</u>	<u>220.59</u>
EQUITY		
16. EQUITY SHARE CAPITAL		
Authorised		
2,00,00,000 Equity Shares (PY 1,50,00,000 Shares) of ₹ 10/- each	2,000.00	1,500.00
Issued, Subscribed & Paid up	1,562.20	1,475.96
1,56,22,000 Equity Shares (PY 1,47,59,640 Shares) of ₹ 10/- each fully paid up	<u>1,562.20</u>	<u>1,475.96</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

AS ON 31.03.2022
(₹ LACS)

AS ON 31.03.2021
(₹ LACS)

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2022		As on 31st March 2021		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	%age change during the year
Smt. Manjoo Sardana	16,96,097	10.86	15,03,197	10.18	0.68
Sh. Kuldip Krishan Sardana	14,81,123	9.48	13,37,709	9.06	0.42
Sh. Dhiraj Sardana	9,57,112	6.13	8,71,362	5.90	0.23
Sh. Bhavdeep Sardana	9,51,541	6.09	8,65,782	5.87	0.22
Sh. Puneet Sardana	9,49,566	6.08	8,63,816	5.85	0.23
Sh. Pankaj Sardana	9,53,558	6.10	8,67,194	5.88	0.22

17. OTHER EQUITY RESERVES & SURPLUS

A. CAPITAL RESERVE

Capital Subsidy 417.67 417.67

B. Security Premium

2,500.84 -

C. GENERAL RESERVE

Opening Balance 29,246.35 26,746.35
Add : Transferred from Profit & Loss Account 7,000.00 2,500.00
36,246.35 29,246.35

D. PROFIT & LOSS ACCOUNT

As per last Balance Sheet 2,877.59 3,411.32
Add : Profit for the year 7,728.69 2,261.46
10,606.28 5,672.78

Less : Appropriations/Payments :

(a) Final Dividend 442.79 295.19
(b) Interim Dividend 1,475.96 -
(c) Transferred to General Reserve 7,000.00 2,500.00
Surplus Carried Forward 1,687.53 2,877.59

E. OTHER COMPREHENSIVE INCOME

Opening balance 25.81 13.99
(a) Remeasurement of defined employee benefit plans 11.40 (7.19)
(b) Net change in fair value of investments other than equity 71.55 24.18
(c) Item reclassified to P & L (44.59) (5.17)
64.17 25.81
40,916.56 32,567.42



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
LIABILITIES		
NON CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
18. BORROWINGS		
SECURED LOANS - TERM LOAN FROM BANKS		
HDFC Bank Ltd.	4,011.98	6,021.57
Citi Bank NA	–	2,500.00
YES Bank Ltd. (TLTRO)	1,000.00	–
UNSECURED LOANS		
Fixed Deposits (includes ₹ 51,71,000/- from Directors, previous year ₹ 6,29,96,000/-) (Maturity Period Ranging from 1 to 3 years)	6,584.40	6,927.66
	<u>11,596.38</u>	<u>15,449.23</u>
Notes :		
(a) HDFC Bank Ltd. :		
(i) ₹ 636.96 lacs (PY ₹ 1,146.57 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit, repayable in sixteen equal quarterly installments. First Installment started from July, 2020.		
(ii) ₹ 3,375 lacs (PY ₹ 4,875 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit, repayable in twenty equal quarterly installments. First Installment started from September, 2020.		
The loans are collaterally secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & equitable Mortgage of land and building of Gurplah Unit.		
(b) Citi Bank NA :		
Secured against charge on a part of land located at G T Road, Phagwara.		
(c) YES Bank Ltd. :		
Secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit. Bullet Repayment in July, 2024.		
19. LEASE LIABILITY		
Lease Liability	395.47	375.24
	<u>395.47</u>	<u>375.24</u>
20. DEFERRED TAX LIABILITIES (NET)		
As per Last Balance Sheet	2,259.55	2,113.84
Add/(Less) : Tax effect on OCI	9.74	5.71
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	260.00	140.00
	<u>2,529.29</u>	<u>2,259.55</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Movement of Deferred Tax liabilities & Assets

(Amt. in ₹ lacs)

Particular	Opening Balance	Recognised in PL	Recognised in OCI	Closing Balance
2021-22				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(2,748.62)	(292.43)	–	(3,041.05)
Others	(12.86)	–	(9.74)	(22.60)
Deferred Tax Assets				
Provision for doubtful debts	27.17	2.70	–	29.87
Provision for Investments	100.67	–	–	100.67
Brought forward Long Term Loss	374.09	(11.30)	–	362.79
Others	–	41.03	–	41.03
Net Dererred tax liability	(2,259.55)	(260.00)	(9.74)	(2,529.29)
2020-21				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(2,615.54)	(133.08)	–	(2,748.62)
Others	(7.15)	–	(5.71)	(12.86)
Deferred Tax Assets				
Provision for doubtful debts	32.87	(5.70)	–	27.17
Provision for Investments	100.67	–	–	100.67
Brought forward Long Term Loss	375.31	(1.22)	–	374.09
Net Dererred tax liability	(2,113.84)	(140.00)	(5.71)	(2,259.55)

Income Tax recognised in the statement of profit & loss

(Amt. in ₹ lacs)

Particulars	For Year Ended March 31, 2022	For Year Ended March 31, 2021
Current Tax	2,500.00	625.00
In respect of the current year		
Deferred Tax	260.00	140.00
In respect of the current year		
Tax relating to earlier years	252.47	–
Total Income tax expense	3,012.47	765.00
Reconciliation of the Income Tax Expense for the year :-		
Profit before tax	10,741.16	3,026.49
Tax at the Indian Tax Rate of 25.168%	2,703.34	761.71
Net effect of expenses that are not deductible in taxable profits	30.47	21.01
Deductions u/s 35	(5.29)	(2.77)
Others	31.48	(14.95)
	2,760.00	765.00
Effective income tax rate (%)	25.70	25.28
Tax relating to earlier years	252.47	–
Total Income tax expense	3,012.47	765.00



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
21. OTHER NON CURRENT LIABILITIES		
Security Deposits	693.77	870.98
Provision	400.00	400.00
Deferred Income - Govt. Grant(s)	74.00	78.00
Other Long Term Liabilities	610.30	1,288.17
	<u>1,778.07</u>	<u>2,637.15</u>
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
22. BORROWINGS		
SECURED		
Cash Credit limits from Punjab National Bank	5345.17	6,598.61
Short Term Borrowings from Citi Bank NA	4,500.00	2,000.00
UNSECURED		
Short Term Loan from YES Bank Ltd.	1,000.00	-
	<u>10,845.17 (*)</u>	<u>8,598.61 (*)</u>

Notes :

(a) Punjab National Bank :

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

(b) Citi Bank NA :

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

(*) ₹ 2,009.59 lacs (PY ₹ 2,009.59 lacs) being "the current maturities of long term borrowings" have been taken under "Other Current Liabilities".

23. TRADE PAYABLES

Sundry creditors for goods supplied :

(i) Micro, Small & Medium Enterprises (*)	374.51	325.62
(ii) Others	<u>2,151.96</u>	<u>2,526.47</u> <u>1,914.32</u> 2,239.94
Sundry creditors for Expenses	1,423.52	1,317.05
Other Creditors (**)	727.78	554.14
	<u>4,677.77</u>	<u>4,111.13</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 ₹ 396.39 lacs (P.Y. ₹ 206.66 lacs) as advance from Sundry Customers for supply of Goods.



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Trade Payables (for goods) Aging Schedule

(Amt. in ₹ lacs)

Particulars	Outstanding for following periods from due date of payment/date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22					
(i) MSME	374.51	—	—	—	374.51
(ii) Others	1,932.14	69.33	135.62	—	2,137.09
(iii) Disputed dues -MSME	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	14.87	14.87
	2,306.65	69.33	135.62	14.87	2,526.47
FY 2020-21					
(i) MSME	325.62	—	—	—	325.62
(ii) Others	1,690.54	205.55	3.36	—	1,899.45
(iii) Disputed dues -MSME	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	14.87	14.87
	2,016.16	205.55	3.36	14.87	2,239.94

AS ON 31.03.2022
(₹ LACS)

AS ON 31.03.2021
(₹ LACS)

24. INCOME TAX LIABILITY (net)

Provision for Tax	4,954.96	—
Less : Income Tax in advance	4,740.97	—
	<u>213.99</u>	<u>—</u>

25. OTHER CURRENT LIABILITIES

(a) Current maturities of Long Term Borrowings	2,009.59	2,009.59
(b) Others		
Unclaimed Dividends	104.04	80.59
Taxes payable	1,272.24	669.89
Interest accrued but not due on Fixed Deposits	368.40	392.43
	<u>3,754.27</u>	<u>3,152.50</u>

26. REVENUE FROM OPERATIONS

Sales		
Starches	43,242.22	23,148.55
Starch Derivatives	39,119.53	27,773.78
By-products & Misc Sales	33,313.92	18,930.88
	<u>1,15,675.67</u>	<u>69,853.21</u>

27. OTHER INCOME

Interest Received	58.86	97.88
Other Income (*)	51.09	6.22
Profit/(Loss) on sale of Assets/Units	54.43	321.21
	<u>164.38</u>	<u>425.31</u>

(*) Includes Rent Received of ₹ 5.69 lacs (P.Y. ₹ 3.13 lacs)



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

		AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
28. COST OF MATERIALS CONSUMED			
Opening Stock of Basic Raw Material	3,981.38		9,872.60
Purchase of Basic Raw Material	71,615.83		38,153.03
	<u>75,597.21</u>		<u>48,025.63</u>
Less : Closing Stock of Basic Raw Material	<u>4,984.92</u>		<u>3,981.38</u>
Effective Consumption of Basic Raw Material		70,612.29	44,044.25
Other Raw Materials, Consumables & Stores		6,067.11	3,757.89
		<u>76,679.40</u>	<u>47,802.14</u>
29. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS			
Opening Stock of Finished Goods	3,029.17		3,057.69
Opening Stock in Process	<u>1,058.90</u>		<u>875.65</u>
		4,088.07	3,933.34
Closing Stock of Finished Goods	1,536.35		3,029.17
Closing Stock in Process	<u>1,280.82</u>		<u>1,058.90</u>
		2,817.17	4,088.07
Change in Inventories		<u>1,270.90</u>	<u>(154.73)</u>
30. EMPLOYEE BENEFIT EXPENSES			
Wages & Salaries		4,738.58	3,791.45
Cont. to PF, ESI, Superannuation & Other Funds		313.93	260.23
Workmen & Staff Welfare		188.72	147.01
		<u>5,241.23</u>	<u>4,198.69</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

INFORMATION UNDER Ind AS-19 "EMPLOYEE BENEFITS" :

Defined Benefit Plan

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

(₹ lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2021-22	2020-21
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	1,110.29	963.45
(b) Current Service Cost	85.47	80.91
(c) Interest Cost	74.19	61.36
(d) Remeasurements	(18.53)	88.72
(e) Benefit Paid	(73.32)	(84.15)
(f) Present Value of Obligation as at the close of the year	1,178.10	1,110.29
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	1,023.32	995.75
(b) Expected Return on Plan Assets	72.32	65.01
(c) Remeasurements	(3.29)	1.71
(d) Actual Company Contribution	120.05	45.00
(e) Benefit Paid	(73.32)	(84.15)
(f) Fair Value of Plan Assets as at the close of the year	1,139.08	1,023.32
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	1,178.10	1,110.29
(b) Fair Value of Plan Assets	1,139.08	1,023.32
(c) Amount recognized in the Balance Sheet	39.02	86.97
D Components of Defined Benefit Cost		
(a) Current Service Cost	85.47	80.91
(b) Interest Cost	74.19	61.36
(c) Expected Return on Plan Assets	(72.32)	(65.01)
(d) Remeasurements	(15.24)	87.01
(e) Deferred Benefit Cost / OCI	72.10	164.27
E Actuarial Assumptions		
(a) Discount Rate (per annum)	7.35%	6.91%
(b) Expected Rate of Return on Assets (per annum)	7.35%	6.91%
(c) Salary Escalation Rate	7 to 8%	6 to 7%



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	FOR THE YEAR ENDED 31.03.2022 (₹ LACS)	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)
31. FINANCIAL COSTS		
Interest Expense	2,001.80	1,980.39
Interest on Lease Liability	38.55	37.22
Other Borrowings Cost/Bank Charges	47.44	40.38
	<u>2,087.79</u>	<u>2,057.99</u>

Borrowing cost capitalised during the year ₹ 160.59 lacs (PY ₹ 525.56 lacs)

The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.59% (PY 7.56%).

32. OTHER EXPENSES

MANUFACTURING EXPENSES :

Power and Fuel & others	11,569.98	8,085.34
Machinery Repair	604.20	409.17
Building Repair	<u>376.56</u>	<u>101.27</u>
	12,550.74	8,595.78

ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :

Printing & Stationery	16.44	14.38
Professional/Legal Expenses	72.40	57.72
Directors' Fee	4.59	2.07
Travelling Expenses	175.87	103.99
Auditors' Remuneration	7.02	9.52
Rent Paid	53.83	35.23
Electricity & Water Charges	34.64	34.07
Entertainment	7.70	6.46
Postage, Telegram & Telephones	21.26	19.28
Advertisement	11.98	10.46
Subscription	27.58	20.97
General Charges	8.76	7.06
Insurance Expenses	126.12	111.15
Other Repairs & Maintenance	97.82	67.77
Commission & Brokerage	833.06	521.95
Provision for Bad debts/(Written back)	10.69	(22.64)
Other Govt. Taxes, Levies & Fees	31.42	28.98
Directors' Commission	108.67	40.61
Charity & Donation	101.20	90.52
Carriage & Forwarding Charges	<u>3,043.42</u>	<u>1,820.55</u>
	4,794.47	2,980.10
	<u>17,345.21</u>	<u>11,575.88</u>



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

2. KEY FINANCIAL RATIOS :

S.No.	RATIOS	Numerator	Denominator	2021-22	2020-21	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.41	1.40	0.71
2	Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.31	0.53	(41.51)
3	Debt Service Coverage Ratio	Profit before Tax + Depreciation + Interest	Current Maturity of Long Term Borrowings + Interest	3.73	1.69	120.71
4	Return on Equity Ratio	Net Profit After Tax	Avg. Equity	20.20%	6.84%	195.32
5	Inventory Turnover Ratio	Net Sales	Avg. Inventory of Finished goods	50.67	22.95	120.78
6	Trade Receivable Turnover Ratio	Net Sales	Avg. Receivables	17.58	11.69	50.38
7	Trade Payable Turnover Ratio	Net Purchases	Avg. Trade Payables	32.60	18.22	78.92
8	Net Capital Turnover Ratio	Net Sales	Avg. working Capital	11.90	6.87	73.22
9	Net Profit Ratio	Net Profit	Net Sales	6.68%	3.24%	106.17
10	Return on Capital employed	Profit before Interest & Tax	Avg. Cap. Employed (Equity + Non Current Liabilities)	22.60%	9.46%	138.90
11	Return on Investment Unquoted (Units of Mutual Funds)	Income from Investments	Time weighted Avg. Investments	4.01	9.04	(55.64)
	Quoted (Fixed Interest Bearing Debentures)	Income from Investments	Time weighted Avg. Investments	11.40	11.40	-

Notes on variations :

Sr. 2	Due to increase in Net Worth & decrease in Long Term Debt.
Sr. 3 & 4	Due to increase in the Profits.
Sr. 5 & 6	Due to Increased Demand & Better Market Conditions.
Sr. 7	Due to higher Purchases in the last months of the year.
Sr. 8	Due to higher Turnover.
Sr. 9	Due to Improved Margins on Sales.
Sr. 10	Due to higher Profits.
Sr. 11	Due to Fluctuations in the Rate of Securities.



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. FAIR VALUE MEASUREMENT

(I) Financial Instruments by Category

PARTICULARS	31st MARCH 2022		31st MARCH 2021	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Assets				
Investments				
Short Term Mutual Funds	6590.56		565.85	
Debentures			303.25	
Trade receivables		6697.34		6238.97
Other Financial assets		3248.02		3365.07
Cash and Cash equivalents		113.76		123.35
Fixed Deposits		800.05		815.93
Other Bank balances		269.31		236.38
Other Current assets		213.56		220.59
	6590.56	11128.48	869.10	10779.70
Financial Liabilities				
Trade Payables		4677.77		4111.13
Other financial liabilities		1776.51		2632.17
		6454.28		6743.30

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

PARTICULARS	Level 1	Level 2	Level 3	TOTAL
2021-22				
Investments				
Short Term Mutual Funds	6590.56			6590.56
Investment Property (land)		1786.50		1786.50
	6590.56	1786.50	–	8377.06
2020-21				
Investments				
Short Term Mutual Funds	565.85			565.85
Debentures	303.25			303.25
Investment Property (land)		1786.50		1786.50
	869.10	1786.50	–	2655.60

(III) Fair value of financial assets measured at amortised cost:-

PARTICULARS	31.03.2022		31.03.2021	
	Carrying Cost	Fair value	Carrying Cost	Fair value
Investment Property (land)	1599.34	1786.50	1598.66	1786.50



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

4. Contingent Liabilities not provided for include :

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

- (a) The Company has issued LCs / Bank Guarantees for ₹10.18 Crores (Previous Year ₹ 10.22 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit.
- (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores (Previous Year ₹ 40 crores) to Yes Bank Ltd. for availing the Term Loan by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. for setting up the Mega Food Park. The outstanding balance of the term loan appeared at ₹ 26 Cr. as on 31.03.2022 (₹ 34 Cr. as on 31.03.2021). There is no any other Guarantee / third party Guarantee / security given / provided by the Company.
- (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 9 crores) to Assistant Commissioner Security of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme. The Company is fulfilling the export obligation under EPCG scheme of the Central Government against import of capital goods at concessional rates. The Export obligation pending to be fulfilled is ₹ 65.18 Crores (Previous year ₹ 68.59 Crores) in next 6 years. The exports of the company appeared at ₹ 12.31 Crores during the current year (PY ₹ 2.63 crores).

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

(₹ Crores)

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

- (*) ₹ 28.93 Crores is the disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. The product has been repeatedly tested by the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
- (**) ₹ 2.19 Crores include demand issued by Assistant commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of our products (Cattle Feed) to be taxable under GST Act. The matter is pending with the said Authorities. However, it has been proved to the satisfaction of the



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Deptt. that the product has been sold and used as cattle feed fully exempt under the relevant chapter of the GST. So, there does not appear any liability on this front.

- (***) ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. Our petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly. The matter is pending before the Hon'ble High Court of Andhra Pradesh.
- (****) ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing our claim for an item against the law settled by the Hon'ble Supreme Court and by ignoring the fact that the same deduction has been claimed by the company and allowed by the department in earlier years on the same grounds and same basis. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals).

(iv) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 7.50 Crores (Previous year ₹ 4.50 Crores)

5. Short term loans & advances include ₹ 30.29 Crores (Previous year ₹ 24.29 Crores) and Other non current assets include ₹ 21.63 Crores (Previous year NIL) due from the subsidiary companies. These mainly include ₹ 49.13 Crores (Previous year ₹ 21.63 Crores) receivable from Sukhjit Mega Food Park & Infra Ltd., which is providing some key infrastructural facilities & utilities to the new manufacturing unit of the company. While the non current amount is recoverable from the company out of the balance amount of grant receivable from the Ministry of Food Processing Industries, Govt. of India and / sale of the developed plots / sheds in the mega food park and the current balance is a general advance recoverable against the supply of basic infrastructural facilities & utilities within a year.

6. Earnings per share :	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	7,728.69	2,261.46
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,56,22,000	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	49.47	15.32
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	49.47	15.32
	2021-22	2020-21
7. Managerial Remuneration paid/payable to the Executive Directors :	(₹ Lacs)	(₹ Lacs)
(i) Salaries	125.59	59.35
(ii) Commission	53.20	13.54
(iii) Contribution to retirement benefit funds	9.03	4.88
(iv) Perquisites	11.53	9.78



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

8. **DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2022 (Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

RELATED PARTIES

A Subsidiaries :

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

B Trusts :

Lala Diwani Chand Ram Narain Trust
Arya Model Sr. Sec. School
Kamla Nehru College for Women
Arya Institute of Management & Technology
Arya Infotech Society (Regd.)

C Directors & KMPs :

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

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

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



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

E Transactions entered during the year ended 31st March, 2022 :

(Amt ₹ Lacs)

Particulars	Subsidares	Trusts	Executive Directors	Non- Executive Directors	KMP's excluding Directors	Relatives of Directors & KMPs
Rent Paid	849.13 (449.95)	-	1.20 (1.20)	-	-	24.00 (24.00)
Rent Received	0.06 (0.06)	-	5.58 (3.07)	-	-	-
On account of Sales	474.62 (69.83)	-	-	-	-	-
On account of Purchases	1206.12 (421.58)	-	-	-	-	-
CSR Expenditure	-	18.00 (27.00)	-	-	-	-
Remuneration	-	-	137.12 (69.13)	-	31.88 (19.67)	279.96 (172.59)
Retirement Benefits	-	-	9.03 (4.88)	-	3.26 (2.47)	31.04 (23.83)
Commission	-	-	53.20 (13.54)	55.47 (27.07)	-	-
Sitting Fees	-	-	-	4.59 (1.71)	-	-
Dividend	-	-	175.76 (26.40)	208.67 (31.45)	-	584.28 (89.31)
Interest on Fixed Deposits	-	-	7.89 (16.65)	19.33 (32.05)	-	77.70 (62.18)
Fixed Deposit Received	-	-	48.78 (70.75)	0.52 (76.63)	-	542.80 (539.34)
Fixed Deposit Repaid	-	-	198.79 (24.55)	312.10 (66.85)	-	798.54 (158.09)

F Balance Outstanding - Payable on 31st March, 2022 :

(Amt ₹ Lacs)

Particulars	Subsidares	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Relatives of Directors & KMPs
Amount Receivable	5192.49 (2429.16)	-	-	-	-
Remuneration	-	8.23 (8.55)	-	3.35 (2.70)	8.33 (8.81)
Commission	-	53.20 (13.54)	55.47 (27.07)	-	-
Fixed Deposit Payable	-	45.50 (195.51)	6.21 (317.79)	-	647.98 (904.72)
Interest on Fixed Deposits Payable	-	1.81 (10.43)	0.54 (20.16)	-	34.60 (46.93)


OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022
9. Corporate Social Responsibility (CSR):

The details of the CSR activities of the Company during the F.Y. 2021-22 :-

(A)	Amount required to be spent by the Company during the year 2021-22	₹ 79.20 lacs										
(B)	Amount of expenditure incurred :	₹ 88.52 lacs										
(C)	Shortfall at the end of the year:	NIL										
(D)	Total previous years shortfall :	NIL										
(E)	Reason for shortfall :	N.A.										
(F)	Nature of CS activities :	<ul style="list-style-type: none">• Preventive Healthcare & Environment Sustainability• Promoting Education including girl education & employment enhancing vocation skills• Livelihood enhancement projects• Contribution to the Prime Minister's National Relief Fund										
(G)	Details of related party transactions :	<table><tr><td>Trusts</td><td>(Amt in lacs)</td></tr><tr><td>• Lala Diwani Chand Ram Narain Trust</td><td>2.00</td></tr><tr><td>• Arya Model Sr. Sec. School</td><td>12.00</td></tr><tr><td>• Kamla Nehru College for Women</td><td>4.00</td></tr><tr><td>Total</td><td><u>18.00</u></td></tr></table>	Trusts	(Amt in lacs)	• Lala Diwani Chand Ram Narain Trust	2.00	• Arya Model Sr. Sec. School	12.00	• Kamla Nehru College for Women	4.00	Total	<u>18.00</u>
Trusts	(Amt in lacs)											
• Lala Diwani Chand Ram Narain Trust	2.00											
• Arya Model Sr. Sec. School	12.00											
• Kamla Nehru College for Women	4.00											
Total	<u>18.00</u>											
(H)	Provision for liability incurred by entering into a contractual obligation	N.A.										



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

	2021-22 (₹ Lacs)	2020-21 (₹ Lacs)
Net Profit as per Profit & Loss Account	1,10,741.16	3,026.46
Add : Commission to Directors	108.67	40.60
Directors Sitting Fee	4.59	2.07
	<u>10,854.42</u>	<u>3,069.13</u>
Less : Profit on sale of Assets/Shares	(54.43)	(321.29)
Balance :	<u>10,799.99</u>	<u>2,747.92</u>
Commission @ 1% on Net Profits to Non-Executive Directors	55.47	27.07
Commission @ 0.5% on Net Profits to Mg. Director	53.20	13.54
Net Profit (as per Section 198)	<u>10,691.32</u>	<u>2,707.31</u>

11. AUDITORS' REMUNERATION INCLUDES :

Audit Fee (Incl. GST Audit fee* & Cost Audit fee)	6.60	9.10*
Tax Audit Fee	0.42	0.42

12. EARNINGS IN FOREIGN EXCHANGE

(i) Export of goods on a F.O.B. basis	1,231.12	263.03
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13. VALUE OF IMPORTS ON C.I.F. BASIS

(excluding canalised items)

(i) Components/Spare Parts/Consumables	46.75	19.96
(ii) Capital Goods	2.78	297.86

14. EXPENDITURE IN FOREIGN CURRENCY

Remittance in foreign currency on Foreign Travel	-	-
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15. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION

(i) Raw Materials :		
(a) Imported	-	566.85
(excluding canalised items)	-	(1.29)
(b) Indigenous	70612.29	43,477.40
	(100%)	(98.71%)
(ii) Spare & Components :		
(a) Imported	34.92	11.20
	(8.78%)	(3.74%)
(b) Indigenous	362.89	288.14
	(91.22%)	(96.26%)

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

- The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The quarterly / monthly statements / information of current assets filed by the company with banks are in agreement with the books of accounts.



OTHER NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

- (iii) The company has not used the borrowings for any purpose other than the specified purpose of the borrowings. The funds raised on short term basis have not been utilised for long term purposes during the year.
- (iv) There is not default in terms of repayment of any loan i.e either principal or interest thereon.
- (v) The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- (vi) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (vii) Utilisation of borrowed funds and share premium
 - (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
 - (ii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- (viii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (ix) The Company has not traded or invested in crypto currency or virtual currency during the year.
- (x) The company had no transaction during the year with the companies struck off u/s 248 of The Companies Act, 2013 or u/s 560 of The Companies Act, 1956.
- (xi) The Company had no Intangible asset under development at the end of the year (Nil P.Y.).
- (xii) The Company has issued 862360 Equity Shares @ ₹ 300/- per Equity Share of face value of ₹ 10/- each (i.e. at a premium of ₹ 290/- per Equity Share) on a preferential basis to Promoter/ Promoter Group and Non Promoter/ Public. The requirements of section 42 and section 62 of the Companies Act, 2013 have been duly complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xiii) The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.
- (xiv) The financial statements have been approved by the Audit Committee and the Board of Directors at their respective meetings held on 30th May, 2022.

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 : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARAVJIT SINGH HOTHI



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, 2022, 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, 2022.

Subsidiary Company	Total Assets (in Lacs)	Revenue from Operations (in Lacs)
Sukhjit Mega Food Park & Infra Ltd.	15,651.39	2,720.48
The Vijoy Steel & General Mills Co. Ltd.	101.94	91.99
Scott Industries Ltd.	88.97	–

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the 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".	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 as per sales orders/ execution as per sale contracts or timely performance as per the schedule of supply. 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. We have been able to conclude that revenue has been recognised in accordance with the revenue recognition policy and accounting standards.
Property Plant and Equipment (PPE) and Capital WIP	
The Company has commissioned its manufacturing facility with 600 TPD grinding capacity in Punjab, in the previous year and has reported certain items under capital WIP for capitalization. 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.	Our audit procedures included implementation and operating effectiveness of controls in respect of review of capital WIP, particularly in respect of timing of the capitalization and recording of additions to items of various categories of PPE with source documentation. We test checked the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories of PPEs with the necessary apportionment of expenses etc. for capitalization and capital WIP included only those items which were incomplete and required more time & expenditure for their commissioning/operationalization & get ready for use (after the close of the relevant financial year)
Inventory	
The Company recognized 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.	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. We also observed a sample of management' s inventory control procedures, system of accounting for receipt and issue of material with appropriate records for balance of stock on a daily basis, to assess compliance with the Company process and made enquiries regarding non-moving or obsolete inventory items and their write offs. Further, we have also evaluated a selection of controls over inventory existence across the Company. There were no significant exceptions noted from these procedures.



INDEPENDENT AUDITORS' REPORT

Key Audit Matters	Auditor's Response
Receivables and its ageing	
Receivables has been considered a key audit matter due to element of judgment involved in overall management assessment of the customers' ability to repay the outstanding balances within due time.	We have assessed the trade receivables and ageing of trade receivables and found that the Company its receivables at a reasonable level with timely receipt of the sale proceeds as per trade practice in the related industry. Further, we have found that receivables are fairly recoverable & appropriate provision has been made where found necessary.

OTHER INFORMATION

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

AUDITOR'S RESPONSIBILITY

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



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

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

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

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

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



INDEPENDENT AUDITORS' REPORT

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's Report) order, 2020 ("the order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013.
2. As required by section 143(3) of the Act, we report that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in "Annexure A"
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; and
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - (a) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses.
 - (c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (d) (i) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities



INDEPENDENT AUDITORS' REPORT

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

(ii) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

(e) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable. The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with section 123 of the Act.

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

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

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

UDIN : 22507087AJWIMA9928

Place : Phagwara

Dated : 30th May, 2022



INDEPENDENT AUDITORS' REPORT

ANNEXURE A TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Managements of the Parent and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

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

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



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, 2022, 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.

OTHER MATTERS

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

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS
(Firm Registration No. 018705N)
Sd/-
(AMIT CHADHA)
Partner
Memb. No. 507087
UDIN : 22507087AJWIMA9928

Place : Phagwara
Dated : 30th May, 2022



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2022

	NOTE	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
ASSETS			
1. NON CURRENT ASSETS			
(a) Property, Plant and Equipment	3	48,346.34	47,878.79
(b) Right to use	3	906.01	937.26
(c) Capital Work-in-progress	4	6,387.66	7,443.07
(d) Investment Property	5	2,080.04	2,079.36
(e) Other Intangible Assets	3	3.43	4.66
(f) Financial Assets - Investments	6	0.73	0.73
(g) Other Non Current Assets	7	297.78	316.81
		<u>58,021.99</u>	<u>58,660.68</u>
2. CURRENT ASSETS			
(a) Inventories	8	10,831.74	10,157.42
(b) Financial Assets			
(i) Investments	9	6,590.56	869.10
(ii) Trade Receivables	10	6,738.61	6,301.15
(iii) Cash & Cash Equivalents	11	142.37	173.03
(iv) Bank Balance other than (iii)	12	1,070.36	1,052.31
(v) Other Financial Assets	13	1,238.98	2,060.34
(c) Income Tax Asset (net)	14	-	196.75
(d) Other Current Assets	15	242.29	252.59
		<u>26,854.91</u>	<u>21,062.69</u>
	TOTAL	<u>84,876.90</u>	<u>79,723.37</u>
EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity Share Capital	16	1,562.20	1,475.96
(b) Other Equity	17	39,696.09	31,791.13
(c) Minority Interest		0.84	0.71
		<u>41,259.13</u>	<u>33,267.80</u>
2. LIABILITIES			
(A) NON CURRENT LIABILITIES			
(a) Financial Liabilities - Borrowings	18	13,396.38	18,749.23
(b) Lease Liability	19	1,135.45	1,074.96
(c) Deferred Tax Liabilities (net)	20	2,388.24	2,220.30
(d) Deferred Income - Govt. Grant(s)	21	3,402.79	3,539.94
(e) Other Non Current Liabilities	22	1,724.68	3,689.78
		<u>22,047.54</u>	<u>29,274.21</u>
(B) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	23	11,444.07	8,598.61
(ii) Trade Payable			
- Micro, Small & Medium Enterprises	24	404.38	325.63
- Others	24	4,999.05	4,303.64
(b) Income Tax Liabilities (net)	25	166.44	-
(c) Other Current Liabilities	26	4,556.29	3,953.48
		<u>21,570.23</u>	<u>17,181.36</u>
	TOTAL	<u>84,876.90</u>	<u>79,723.37</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 : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARAVJIT SINGH HOTHI


CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.03.2022 (₹ LACS)	FOR THE YEAR ENDED 31.03.2021 (₹ LACS)
1. Revenue From Operations	27	1,15,897.38	69,877.78
2. Other Income	28	308.13	806.88
3. Total Revenue		1,16,205.51	70,684.66
4. Expenses :			
Cost of Materials Consumed	29	77,395.97	47,643.27
Change in Inventories of Finished Goods, Stock in Trade & Stock in Process	30	453.53	(168.02)
Employee Benefits Expenses	31	5,427.74	4,272.58
Finance Costs	32	2,383.93	2,256.94
Depreciation and Amortisation Exp.	3	3,503.84	2,197.45
Other Expenses	33	16,846.37	11,664.22
Total Expenses		1,06,011.38	67,866.44
5. Profit Before Tax (3-4)		10,194.13	2,818.22
6. Tax Expense :			
- Current Tax	2,500.00		625.00
- Deferred Tax	158.20		102.81
- Taxes Relating to Previous Years	251.56		-
		2,909.76	727.81
7. Profit for the period (5-6)		7,284.38	2,090.41
8. Add/(Less) Minority Interest		(0.13)	(0.34)
9. Profit for the period (7-8)		7,284.51	2,090.75
10. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		15.24	(9.61)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		(3.83)	2.42
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		95.61	32.31
(b) Income tax relating to items that will be reclassified to Profit & Loss		(24.06)	(8.13)
11. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period)		7,367.46	2,107.74
12. Earning per equity share :			
(a) Basic		46.63 (*)	14.17
(b) Diluted		46.63 (*)	14.17

(*) On the increased Capital of 15622000 equity shares against 14759640 equity shares previous year.

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 : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARAVJIT SINGH HOTHI



CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Total
	Capital Reserve	Security Premium Reserve	General Reserve	Retained Earnings	Other Comprehensive Income	
AS ON 31 MARCH 2022						
Balance at the beginning of the reporting period i.e. 1st April, 2021	417.81	–	29,246.35	2,101.16	25.81	31,791.13
Profit for the year				7,284.51		7,284.51
Other Comprehensive Income					82.95	82.95
Security Premium		2,500.84				2,500.84
Dividends				(1,918.75)		(1,918.75)
Balance at the end of the reporting period i.e. 31st March, 2022			7,000.00	(7,000.00)		–
OCI reclassified to P&L					(44.59)	(44.59)
Balance at the end of the reporting period i.e. 31st March, 2022	417.81	2,500.84	36,246.35	466.92	64.17	39,696.09
AS ON 31 MARCH 2021						
Balance at the beginning of the reporting period i.e. 1st April, 2020	417.81	–	26,746.35	2,805.60	13.99	29,983.75
Profit for the year				2,090.75		2,090.75
Other Comprehensive Income					16.99	16.99
Dividends				(295.19)		(295.19)
Balance at the end of the reporting period i.e. 31st March, 2021			2,500.00	2,500.00		–
OCI reclassified to P&L					(5.17)	(5.17)
Balance at the end of the reporting period i.e. 31st March, 2021	417.81	–	29,246.35	2,101.16	25.81	31,791.13

Notes :

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



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	For the Year Ended 31st March, 2022 (₹ Lacs)	For the Year Ended 31st March, 2021 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	10,194.13	2,818.22
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	3,503.84	2,197.45
Provision	31.32	(22.62)
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(69.46)	(98.60)
Apportionment of Deferred Income	(137.15)	(137.15)
Interest paid	2,224.91	2,110.51
(Profit) Loss on sale of investments/assets	(54.43)	(321.21)
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES IN WORKING CAPITAL	15,693.16	6,546.60
Trade and other receivables	362.89	(43.47)
Inventories	(674.33)	5,066.49
Trade Payables	774.16	347.84
Other Liabilities	579.36	269.07
FLOWS FROM OPERATING ACTIVITIES	16,735.24	12,186.53
Net Direct Taxes Paid	(2,313.15)	(555.15)
NET FLOWS FROM OPERATING ACTIVITIES	14,422.10	11,631.38
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,069.45)	(7,478.32)
Sale of Fixed Assets	240.38	348.75
Acquisition of Minority Interest	0.13	0.34
Other Investments	(5,703.12)	239.86
Interest received	69.46	98.60
NET FLOWS FROM INVESTING ACTIVITIES	(8,462.60)	(6,790.77)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	2,845.46	(3,144.73)
Term Loans raised	1,000.00	1,648.00
Repayment of Term Loan	(6,009.59)	(3,368.84)
Other Loans raised/(Repaid)	(2,237.67)	2,284.39
Equity Share Capital and Security Premium	2,587.08	—
Dividends paid	(1,895.30)	(298.83)
Lease Liability	(37.19)	(34.48)
Interest paid	(2,224.91)	(2,110.51)
NET FLOWS FROM FINANCING ACTIVITIES	(5,972.12)	(5,025.01)
Net Cash Flows during the year	(12.62)	(184.40)
Cash & cash equivalents at the beginning of the year	1,225.34	1,409.74
Cash & cash equivalents at the end of the year	1,212.73	1,225.34

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 : 30th May, 2022

DIRECTORS

MANJOO SARDANA
RANBIR SINGH SEEHRA
SARAVJIT SINGH HOTHI



NOTES

Forming part of the consolidated financial statements for the year ended 31st March, 2022.

1(A). CORPORATE INFORMATION

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

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

The Company is listed on the Bombay Stock Exchange Ltd. (BSE). The consolidated financial statements for the year ended March 31, 2022 were approved by the Board of Directors on 30th May, 2022.

1(B). STATEMENT OF COMPLIANCE & BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(A) Use of Estimates, judgments and assumptions

The preparation of financial statements and disclosures made therein require the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and based upon the reasonable evaluation of relevant facts and circumstances as on the date of financial statements. Actual results could differ from these estimates materiality in case of certain items like provision of employee benefits, residual life of property, plant & equipment and intangible assets, valuation of estimates or provision for bad & doubtful debts. The necessary information concerning estimates is given in the respective notes with information about basis of calculation for each affected line item in the financial statements. Any revision to accounting estimates is recognized prospectively in current and future periods.

(B) Property, Plant and Equipment

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



- (i) The cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. The cost includes cost of replacing parts of plant and equipment, if recognition criteria are met. Cost of major inspections, dismantling / removing and site restoration costs are ascertained & capitalized. Such Costs also include borrowing cost if the recognition criteria are met. All other repair & maintenance costs are recognized in statement of Profit & Loss.
- (ii) Depreciation on Plant & Machinery has been provided on straight line method according to the expected life span of assets and on other fixed assets on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013 : Plant and Machinery - 5 to 25 years, Office equipment - 5 to 10 years & Vehicles - 8 to 10 years.
- (iii) Depreciation on additions is provided on pro- rata basis from the month of such addition. The residual values, useful life of property, plant & equipment are reviewed at regular intervals and adjusted prospectively, if appropriate.
- (iv) During disposal of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.

(C) Intangible Assets

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

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

(D) Investment and Financial Assets

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

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

Subsequent measurement of financial assets depends upon Company's objective for holding the assets and cash flows characteristics of the financial asset like debt instrument is measured at amortized cost of the asset if held for collecting contractual cash flows and stipulated terms give rise to cash flows that comprise only payments of principal and Interest (on specified dates) on the principal amount outstanding. Equity instruments carried within the scope of Ind AS 109 are measured at fair value. The equity instruments which are held for trading are classified at FVPTL. For all other equity instruments the Company may make an irrevocable election to present the subsequent changes in their fair value in other comprehensive income. The Classification is made at initial recognition and is irrecoverable.

All financial assets that don't meet the criteria for amortized cost or FVTOCI are measured at fair value through Profit & Loss Account.

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



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

Level 1 :

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

Level 2 :

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

Level 3 :

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

(E) Inventories

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

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

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

(F) Cash and Cash Equivalents

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



(G) Income Tax and Deferred Tax

The liability of company on account of Income Tax is computed 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 asset is recognized subject to the probability that taxable profit will be available against which the temporary differences can be reversed.

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

(H) Lease assets

The company recognises Right-Of-Use Asset (ROU Asset) held under a lease under the 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 Ind AS 116. For the reporting year, the carrying amount of ROU Asset is an amount equal to the carrying amount of the lease liability on the transition date computed as present value of all future lease payments discounted at an interest rate implicit in the lease.

(I) Revenue Recognition

(A) Sale of Goods

- (a) Revenue is recognized on the transfer of goods to a customer for an amount that reflects the consideration to which company expects to be entitled in exchange for those goods.
- (b) Revenue is measured at the fair value received or receivable net of discounts, quantity rebates or incentives and taxes on sales. The amount received / receivable from the customer is recognised as sales revenue after the control over the goods sold are transferred to the customer which is generally dispatch of goods.
- (c) Variable consideration includes quantity rebates, discounts etc which are estimated at the contract inception and constrained until it is highly possible that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Using the practical expedient in AS115, the company does not adjust the promised consideration for the effects of a significant financing component concerning the short term advances, if any received from its customers.
- (B) Dividends are recognised in profit & loss account only when right to receive payment is established,
- (C) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.
- (D) Insurance or other claims are accounted for on the basis of claims admitted by the insurers.

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



(K) Employee Benefits

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

(L) Foreign Currency Transaction

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

(M) 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.

(N) Borrowing Cost

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

(O) Provisions, Contingent Liability and Contingent Assets

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

(P) Earnings Per Share

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

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

NOTE : 3 **FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2022** **Amount (₹ Lacs)**

ASSETS	LAND	RIGHT TO USE ASSET (LAND)	BUILDING	FURNITURE & FIXTURE	PLANT & MACHIN-ERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	INTANGIBLE ASSETS (COMPUTER SOFTWARE)	PREVIOUS YEAR
COST										
Cost as on 01.04.2021	1,794.99	999.74	17,478.15	596.45	42,311.80	2,467.83	580.66	66,229.62	41.81	66,271.43
Additions	14.78	--	1,718.50	41.56	1,875.78	119.45	355.10	4,124.86	--	4,124.86
Sale/Adjustments	--	--	--	--	213.33	0.21	228.36	441.89	--	441.89
Total as on 31.03.2022	1,809.76	999.74	19,196.64	638.00	43,973.96	2,587.07	707.41	69,912.58	41.81	69,954.40
DEPRECIATION										
Upto 31.03.2021	--	62.49	4,662.65	289.08	10,910.89	1,080.49	407.97	17,413.57	37.15	17,450.72
For the Year	--	31.24	1,303.06	90.09	1,741.21	271.47	65.52	3502.60	1.23	3,503.84
On Sale/Adjustments	--	--	--	--	104.08	0.21	151.65	255.94	--	255.94
Upto 31.03.2022	--	93.73	5,965.71	379.17	12,548.03	1,351.75	321.84	20,660.23	38.38	20,698.62
NET VALUE										
As at 31.03.2022	1,809.76	906.01	13,230.93	258.83	31,425.93	1,235.31	385.57	49,252.35	3.43	49,255.78
As at 31.03.2021	1,794.99	937.26	12,815.49	307.36	31,400.92	1,387.34	172.69	48,816.05	4.66	48,820.71
(a) The title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.										
(b) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year										

- (a) The title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) are held in the name of the Company as at the balance sheet date.
- (b) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
NON CURRENT ASSETS		
4. CAPITAL WORK-IN-PROGRESS		
Building under Consturction	735.94	1,747.46
Machinery under Errection	5,619.67	5,663.19
Electric Installation under Errection	—	20.86
Advance against Capital Goods	32.05	11.56
	<u>6,387.66</u>	<u>7,443.07</u>

CWIP Ageing Schedule (#)

(Amt. in ₹ lacs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22					
Project in progress	1,115.10	1,494.97	3,446.32 (*)	299.22 (*)	6,355.61
Projects temporarily suspended	—	—	—	—	—
FY 2020-21					
Project in progress	2,309.28	4,335.99 (*)	786.24 (*)	—	7,431.51
Projects temporarily suspended	—	—	—	—	—

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

(#) Excluding advance against Capital Goods

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

5. INVESTMENT PROPERTY

Land	1,643.34	1,642.66
Advances against Purchase of Property	436.70	436.70
	<u>2,080.04</u>	<u>2,079.36</u>

Market Value of Land is ₹ 1,830.06 lacs

Total value of Investment Property is ₹ 2,266.76 lacs including ₹ 436.70 lacs advance (P.Y. ₹ 2,266.76 lacs)

Depreciation has not been provided.

FINANCIAL ASSETS

6. INVESTMENTS

INVESTMENT IN GOVT. SECURITIES - UNQUOTED

National Saving Certificate	0.08	0.08
Membership (Investment) - Club(s)	0.65	0.65
	<u>0.73</u>	<u>0.73</u>

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

7. OTHER NON CURRENT ASSETS

Unsecured - Considered Good	297.78	316.81
Security / Other Deposits	<u>297.78</u>	<u>316.81</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

Type of Borrower	As on 31.03.2022		As on 31.03.2021	
	Amount of loans/ advances	%age to Total Loan/advances in the nature of loans	Amount of loans/ advances	%age to Total Loan/advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	-	-	-	-

AS ON 31.03.2022
(₹ LACS)

AS ON 31.03.2021
(₹ LACS)

8. INVENTORIES

Raw Materials Basic	4,994.90	3,990.46
Stock in Process	1,306.54	1,076.50
Finished Goods	2,351.39	3,034.96
Stores, Spares, Fuel & Other Raw Materials	2,155.39	2,032.20
Loose Tools	23.52	23.30
	<u>10,831.74</u>	<u>10,157.42</u>

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

FINANCIAL ASSETS

9. INVESTMENTS

INVESTMENT (AT FAIR VALUE)

INVESTMENT IN UNITS OF MUTUAL FUNDS

UNQUOTED :

(i) HDFC Banking and PSU Debt Fund 10634207.264 units (Prev. Year 3100642.353 units)	2,037.51	565.85
(ii) HDFC Short Term Debt Fund 17364802.140 units (Prev. Year Nil units)	4,553.05	-
	<u>6,590.56</u>	<u>565.85</u>

INVESTMENT IN BONDS/DEBENTURES

QUOTED :

Tata Power Co. Ltd.	-	303.25
Nil Non Convertible Secured Debentures (Prev. Year 30 Deb.) of ₹ 10,00,000/- each	<u>6,590.56</u>	<u>869.10</u>

Aggregate Amount of Un-Quoted Investments - ₹ 6,590.56 lacs (P.Y. ₹ 565.85 lacs)

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
10. TRADE RECEIVABLES		
Considered Good	6,697.34	6,239.25
Considered Doubtful	324.99	314.30
	<u>7,022.33</u>	<u>6,553.55</u>
Less : Provision for Doubtful debts	283.72	252.40
	<u><u>6,738.61</u></u>	<u><u>6,301.15</u></u>

Trade Receivable ageing Schedule

(Amt. in ₹ lacs)

Particulars	Outstanding for following periods from due date of payment/date of transaction					Total
	Less than 180 days	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22						
(i) Undisputed - considered good	6,650.97	22.10	7.56	16.71	—	6,697.34
(ii) Undisputed - considered doubtful	—	—	—	—	—	—
(iii) Disputed - considered good	—	—	—	—	—	—
(iv) Disputed - considered doubtful	—	—	—	—	324.99	324.99
	6,650.97	22.10	7.56	16.71	324.99	7,022.33
Less: Provision for doubtful debts						283.72
						<u><u>6,738.61</u></u>
FY 2020-21						
(i) Undisputed - considered good	6,179.64	21.47	20.09	18.05	—	6,239.25
(ii) Undisputed - considered doubtful	—	—	—	—	—	—
(iii) Disputed - considered good	—	—	—	—	—	—
(iv) Disputed - considered doubtful	—	—	—	—	314.30	314.30
	6,179.64	21.47	20.09	18.05	314.30	6,553.55
Less: Provision for doubtful debts						252.40
						<u><u>6,301.15</u></u>

11. CASH AND CASH EQUIVALENTS

Cash in Hand	42.13	29.87
Balance with Scheduled Banks in Current Accounts	<u>100.24</u>	<u>143.16</u>
	<u><u>142.37</u></u>	<u><u>173.03</u></u>

12. BANK BALANCES

Balance with Scheduled Banks in Unclaimed Divident Accounts	104.04	80.59
Margin Money Accounts (*)	165.27	155.79
Fixed Deposit Accounts (**)	801.05	815.93
	<u><u>1,070.36</u></u>	<u><u>1,052.31</u></u>

(*) Include Balances of ₹ 56.80 lacs (P.Y. ₹ 55.46 lacs) with the maturity of more than one year.

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
13. OTHER FINANCIAL ASSETS		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received	1,091.63	1,823.16
Other Advances	147.35	237.18
	<u>1,238.98</u>	<u>2,060.34</u>

(*) Include ₹ 28.70 lacs (P.Y. ₹ 21.62 lacs) as Advances to Sundry Suppliers for purchase of materials.

14. INCOME TAX ASSETS (NET)

Income Tax in advance	-	4615.71
Less : Provision for Tax	-	4418.96
	<u>-</u>	<u>196.75</u>

15. OTHER CURRENT ASSETS

Prepaid Expenses	180.64	174.37
Interest & Other recoverables	61.65	78.22
	<u>242.29</u>	<u>252.59</u>

EQUITY

16. EQUITY SHARE CAPITAL

Authorised		
2,00,00,000 Equity Shares (PY 1,50,00,000 Shares) of ₹ 10/- each	<u>2,000.00</u>	<u>1,500.00</u>
Issued, Subscribed & Paid up	1,565.20	1,475.96
1,56,22,000 Equity Shares (PY 1,47,59,640 Shares) of ₹ 10/- each fully paid up	<u>1,562.20</u>	<u>1,475.96</u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2022		As on 31st March 2021		
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	%age change during the year
Smt. Manjoo Sardana	16,96,097	10.86	15,03,197	10.18	0.68
Sh. Kuldip Krishan Sardana	14,81,123	9.48	13,37,709	9.06	0.42
Sh. Dhiraj Sardana	9,57,112	6.13	8,71,362	5.90	0.23
Sh. Bhavdeep Sardana	9,51,541	6.09	8,65,782	5.87	0.22
Sh. Puneet Sardana	9,49,566	6.08	8,63,816	5.85	0.23
Sh. Pankaj Sardana	9,53,558	6.10	8,67,194	5.88	0.22



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
17. OTHER EQUITY		
RESERVES & SURPLUS		
A. CAPITAL RESERVES		
Capital Subsidy	417.81	417.81
B. SECURITY PREMIUM	2,500.84	–
C. GENERAL RESERVE		
Opening Balance	29,246.35	26,746.35
Add : Transferred from Profit & Loss Account	7,000.00	2,500.00
	<u>36,246.35</u>	<u>29,246.35</u>
D. PROFIT & LOSS ACCOUNT		
As per last Balance Sheet	2,101.16	2,805.60
Add : Profit for the year	7,284.51	2,090.75
	<u>9,385.67</u>	<u>4,896.35</u>
Less : Appropriations/Payments :		
(a) Final Dividend	442.79	295.19
(b) Interim Dividend	1,475.96	–
(c) Transferred to General Reserve	7,000.00	2,500.00
Surplus Carried Forward	<u>466.92</u>	<u>2,101.16</u>
E. OTHER COMPREHENSIVE INCOME		
Opening balance	25.81	13.99
(a) Remeasurement of defined employee benefit plans	11.40	(7.19)
(b) Net change in fair value of investments other than equity	71.55	24.18
(c) Item reclassified to P & L	(44.59)	(5.17)
	<u>64.17</u>	<u>25.81</u>
	<u>39,696.09</u>	<u>31,791.13</u>
LIABILITIES		
NON CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
18. BORROWINGS		
SECURED LOANS - TERM LOAN FROM BANKS		
HDFC Bank Ltd.	4,011.98	6,021.57
Citi Bank NA	–	3,200.00
YES Bank Ltd.	2,800.00	2,600.00
UNSECURED LOANS		
Fixed Deposits (includes ₹ 51,71,000/- from Directors, previous year ₹ 6,29,96,000/-) (Maturity Period Ranging from 1 to 3 years)	6,584.40	6,927.66
	<u>13,396.38</u>	<u>18,749.23</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Notes :

(a) HDFC Bank Ltd. :

- (i) ₹ 636.96 lacs (PY ₹ 1,146.57 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets purchased out of this Term Loan at Malda Unit, repayable in sixteen equal quarterly installments. First Installment started from July, 2020.
- (ii) ₹ 3,375 lacs (PY ₹ 4,875 lacs) Secured against Hyp. of Plant & Machinery and other movable fixed assets of Rehana Jattan Unit, repayable in twenty equal quarterly installments. First Installment started from September, 2020.

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

(b) Citi Bank NA :

- (i) ₹ NIL (PY ₹ 2,500 lacs) Secured against charge on a part of land located at G T Road, Phagwara.
- (ii) For Sukhjit Mega Food Park : ₹ NIL (PY ₹ 700 lacs) Secured against pari passu charge on all current & movable fixed assets of Mega Food Park.

(c) YES Bank Ltd. :

- (i) ₹ 1,000 lacs (PY NIL) Secured against First Pari Passu charge on Plant & Machinery and other movable fixed assets & Equitable Mortgage of land and building of Gurplah Unit. Bullet Repayment in July, 2024.
- (ii) For Sukhjit Mega Food park : ₹ 1,800 lacs (PY ₹ 2,600 lacs) Secured against all current & movable fixed assets of Mega Food Park, repayable in twenty equal quarterly installments. First Installment started from July, 2020.

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
19. LEASE LIABILITY		
Lease Liability	1,135.45	1,074.96
	<u>1,135.45</u>	<u>1,074.96</u>
20. DEFERRED TAX LIABILITIES (NET)		
As per Last Balance Sheet	2,220.30	2,111.77
Add/(Less) : Tax effect on OCI	9.74	5.71
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	158.20	102.82
	<u>2,388.24</u>	<u>2,220.30</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Movement of Deferred Tax liabilities & Assets

(Amt. in ₹ lacs)

Particular	Opening Balance	Recognised in PL	Recognised in OCI	Closing Balance
2021-22				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(4,113.67)	(653.45)		(4,767.12)
Others	(12.86)	-	(9.74)	(22.60)
Deferred Tax Assets	-			
Provision(s)	29.03	3.00		32.03
Provision for Investments	100.67	-		100.67
Brought forward Long Term Loss	876.42	485.84		1,362.26
Goernment grants	900.11	(34.62)		865.49
Others	-	41.03		41.03
Net Dererred tax liability	(2,220.30)	(158.20)	(9.74)	(2,388.24)
2020-21				
Deferred Tax Liabilities				
Property, plant and equipment and Intangible assets	(2,623.13)	(1,490.54)		(4,113.67)
Others	(7.15)		(5.71)	(12.86)
Deferred Tax Assets				
Provision for doubtful debts	34.86	(5.83)		29.03
Provision for Investments	100.67	-		100.67
Brought forward Long Term Loss	456.15	420.27		876.42
Goernment grants	(73.17)	973.28		900.11
Net Dererred tax liability	(2,111.77)	(102.82)	(5.71)	(2,220.30)

Income Tax recognised in the statement of profit & loss

(Amt. in ₹ lacs)

Particulars	For Year Ended March 31, 2022	For Year Ended March 31, 2021
Current Tax	2,500.00	625.00
In respect of the current year		
Deferred Tax	158.20	102.81
In respect of the current year		
Tax relating to earlier years	251.56	-
Total Income tax expense	2,909.76	727.81
Reconciliation of the Income Tax Expense for the year :-		
Profit before tax	10,194.13	2,818.22
Tax at the Indian Tax Rate of 25.168%	2,565.66	709.29
Net effect of expenses that are not deductible in taxable profits	30.00	21.01
Deductions u/s 35	(5.29)	(2.77)
Others	67.83	0.28
	2,658.20	727.81
Effective income tax rate (%)	26.08	25.83
Tax relating to earlier years	251.56	-
Total Income tax expense	2,909.76	727.81



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
21. DEFERRED INCOME		
Deferred Income - Government grant(s)	3,402.79	3,539.94
	<u>3,402.79</u>	<u>3,539.94</u>
22. OTHER NON CURRENT LIABILITIES		
Security Deposits	706.08	1,994.51
Provision	408.30	407.10
Other Long Term Liabilities	610.30	1,288.17
	<u>1,724.68</u>	<u>3,689.78</u>
CURRENT LIABILITIES		
FINANCIAL LIABILITIES		
23. BORROWINGS		
SECURED		
Cash Credit limits for Banks		
From Punjab National Bank	5,345.17	6,598.61
From Yes Bank Ltd.	598.90	—
Short Term Borrowings from Citi Bank NA	4,500.00	2,000.00
UNSECURED		
Short Term Loan from YES Bank Ltd.	1,000.00	—
	<u>11,444.07 (*)</u>	<u>8,598.61 (*)</u>

Notes :

(a) Punjab National Bank :

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

(b) Yes Bank Ltd. :

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

(c) Citi Bank NA :

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

(*) ₹ 2,809.59 lacs (PY ₹ 2,809.59 lacs) being "the current maturities of long term borrowings" have been taken under "Other Current Liabilities".



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
24. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(i) Micro, Small & Medium Enterprises (*)	404.38	325.63
(ii) Others	<u>2,559.76</u>	<u>2,260.37</u>
Sundry creditors for Expenses	1,711.42	1,486.13
Other Creditors (**)	<u>727.87</u>	<u>557.14</u>
	<u><u>5,403.43</u></u>	<u><u>4,629.27</u></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 ₹ 396.39 lacs (P.Y. ₹ 209.93 lacs) as advance from Sundry Customers for supply of Goods.

Trade Payables (for goods) Aging Schedule

(Amt. in ₹ lacs)

Particulars	Outstanding for following periods from due date of payment/date of transaction				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
FY 2021-22					
(i) MSME	404.38	—	—	—	404.38
(ii) Others	2,256.79	81.08	207.02	—	2,544.89
(iii) Disputed dues - MSME	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	14.87	14.87
	<u>2,661.17</u>	<u>81.08</u>	<u>207.02</u>	<u>14.87</u>	<u>2,964.14</u>
FY 2020-21					
(i) MSME	325.63	—	—	—	325.63
(ii) Others	1,926.01	313.10	6.39	—	2,245.50
(iii) Disputed dues - MSME	—	—	—	—	—
(iv) Disputed dues - Others	—	—	—	14.87	14.87
	<u>2,251.64</u>	<u>313.10</u>	<u>6.39</u>	<u>14.87</u>	<u>2,586.00</u>

25. INCOME TAX LIABILITY (NET)

Provision for Tax	4,954.96	—
Less : Income Tax in advance	<u>4,788.52</u>	<u>—</u>
	<u><u>166.44</u></u>	<u><u>—</u></u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
26. OTHER CURRENT LIABILITIES		
(a) Current maturities of long Term Borrowings	2,809.59	2,809.59
(b) Others :		
Unclaimed Dividends	104.04	80.59
Taxes payable	1,274.26	670.87
Interest accrued but not due on Fixed Deposits	368.40	392.43
	<u>4,556.29</u>	<u>3,953.48</u>
27. REVENUE FROM OPERATIONS		
Sales		
Starches	43,242.22	23,148.55
Starch Derivatives	39,119.53	27,773.78
By-products & Misc Sales	33,535.63	18,955.45
	<u>1,15,897.38</u>	<u>69,877.78</u>
28. OTHER INCOME		
Interest Received	69.46	98.60
Other Income (*)	184.24	387.07
Profit/(Loss) on sale of Assets/Units	54.43	321.21
	<u>308.13</u>	<u>806.88</u>
(*) Includes Rent Received of ₹ 3.13 lacs (P.Y. ₹ 5.97 lacs)		
29. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	3,990.46	9,876.30
Purchase of Basic Raw Material	72,281.97	37,979.00
	<u>76,272.43</u>	<u>47,855.30</u>
Less : Closing Stock of Basic Raw Material	4,994.90	3,990.46
Effective Consumption of Basic Raw Material	71,277.53	43,864.84
Other Raw Materials, Consumables & Stores	6,118.44	3,778.43
	<u>77,395.97</u>	<u>47,643.27</u>
30. CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS		
Opening Stock of Finished Goods	3,034.96	3,063.37
Opening Stock in Process	1,076.50	880.07
	<u>4,111.46</u>	<u>3,943.44</u>
Closing Stock of Finished Goods	2,351.39	3,034.96
Closing Stock in Process	1,306.54	1,076.50
	<u>3,657.93</u>	<u>4,111.46</u>
Change in Inventories	<u>453.53</u>	<u>(168.02)</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	AS ON 31.03.2022 (₹ LACS)	AS ON 31.03.2021 (₹ LACS)
31. EMPLOYEE BENEFIT EXPENSES		
Wages & Salaries	4,920.62	3,859.33
Cont. to PF, ESI, Superannuation & Other Funds	315.79	265.12
Workmen & Staff Welfare	191.33	148.13
	<u>5,427.74</u>	<u>4,272.58</u>
32. FINANCE COSTS		
Interest Expense	2,224.91	2,110.51
Interest on Lease Liability	111.49	105.99
Other Borrowings Cost/Bank Charges	47.53	40.44
	<u>2,383.93</u>	<u>2,256.94</u>
Borrowing cost capitalised during the year ₹ 172.13 lacs (PY ₹ 808.85 lacs)		
The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 6.59% (PY 7.34%).		
33. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel & Others	11,200.80	8,214.92
Machinery Repair	593.33	398.84
Building Repair	194.41	57.29
	<u>11,988.54</u>	<u>8,671.05</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	17.09	15.10
Professional/Legal Expenses	77.30	61.56
Directors' Fee	5.19	2.37
Travelling Expenses	180.75	106.02
Auditors' Remuneration	7.88	10.18
Rent Paid	35.42	32.21
Electricity & Water Charges	34.64	20.92
Entertainment	7.83	6.81
Postage & Telephones	21.47	19.38
Advertisement	11.98	10.46
Subscription	27.58	20.97
General Charges	14.31	14.54
Insurance Expenses	146.69	119.23
Other Repairs & Maintenance	113.03	69.71
Commission & Brokerage	834.06	521.95
Provision for Bad debts/(Written back)	31.32	(22.62)
Other Govt. Taxes, Levies & Fees	38.00	32.54
Directors' Commission	108.67	40.61
Charity & Donation	101.20	90.67
Carriage & Forwarding Charges	3,043.42	1,820.55
	<u>4,857.83</u>	<u>2,993.17</u>
	<u>16,846.37</u>	<u>11,664.22</u>



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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

2. KEY FINANCIAL RATIOS :

S.No.	RATIOS	Numerator	Denominator	2021-22	2020-21	Variance (In %)
1	Current Ratio	Current Assets	Current Liabilities	1.24	1.23	0.81
2	Debt-Equity Ratio	Long Term Debt	Shareholder's Equity	0.37	0.67	(44.78)
3	Debt Service Coverage Ratio	Profit before Tax + Depreciation + Interest	Current Maturity of Long Term Borrowings + Interest	6.75	3.22	109.63
4	Return on Equity Ratio	Net Profit After Tax	Avg. Equity	19.55%	6.46%	202.63
5	Inventory Turnover Ratio	Net Sales	Avg. Inventory of Finished goods	43.03	22.92	87.74
6	Trade Receivable Turnover Ratio	Net Sales	Avg. Receivables	17.07	11.30	51.06
7	Trade Payable Turnover Ratio	Net Purchases	Avg. Trade Payables	28.25	16.62	69.98
8	Net Capital Turnover Ratio	Net Sales	Avg. working Capital	11.57	6.87	68.41
9	Net Profit Ratio	Net Profit	Net Sales	6.29%	2.99%	110.37
10	Return on Capital employed	Profit before Interest & Tax	Avg. Cap. Employed (Equity + Non Current Liabilities)	19.99%	8.27%	141.72
11	Return on Investment Unquoted (Units of Mutual Funds)	Income from Investments	Time weighted Avg. Investments	4.01	9.04	(55.64)
	Quoted (Fixed Interest Bearing Debentures)	Income from Investments	Time weighted Avg. Investments	11.40	11.40	-

Notes on variations :

Sr. 2	Due to increase in Net Worth & decrease in Long Term Debt.
Sr. 3 & 4	Due to increase in the Profits.
Sr. 5 & 6	Due to Increased Demand & Better Market Conditions.
Sr. 7	Due to higher Purchases in the last months of the year.
Sr. 8	Due to higher Turnover.
Sr. 9	Due to Improved Margins on Sales.
Sr. 10	Due to higher Profits.
Sr. 11	Due to Fluctuations in the Rate of Securities.



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

3. FAIR VALUE MEASUREMENT

(I) Financial Instruments by Category

PARTICULARS	31st MARCH 2022		31st MARCH 2021	
	FVTOCI	Amortised Cost	FVTOCI	Amortised Cost
Financial Assets				
Investments				
Short Term Mutual Funds	6590.56		565.85	
Debentures			303.25	
Trade receivables		6738.61		6301.15
Other Financial assets		1238.98		2060.34
Cash and Cash equivalents		142.37		173.03
Fixed Deposits		801.05		815.93
Other Bank balances		269.31		236.38
Other Current assets		242.29		252.59
	6590.56	9190.32	869.10	9586.83
Financial Liabilities				
Trade Payables		5403.43		4629.27
Other financial liabilities		2694.68		4034.15
		8098.11		8663.42

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

PARTICULARS	Level 1	Level 2	Level 3	TOTAL
2021-22				
Investments				
Short Term Mutual Funds	6590.56			6590.56
Investment Property (land)		1830.06		1830.06
	6590.56	1830.06	–	8420.62
2020-21				
Investments				
Short Term Mutual Funds	565.85			565.85
Debentures	303.25			303.25
Investment Property (land)		1830.06		1830.06
	869.10	1830.06	–	2699.16

III) Fair value of financial assets measured at amortised cost:-

PARTICULARS	31.03.2022		31.03.2021	
	Carrying Cost	Fair value	Carrying Cost	Fair value
Investment Property (land)	1643.34	1830.06	1642.66	1830.06



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

4. Contingent Liabilities not provided for include :

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

- (a) The Company has issued LCs / Bank Guarantees for ₹10.18 Crores (Previous Year ₹ 10.22 Crores) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit.
- (b) The Company has given a Corporate Guarantee(s) of ₹ 40 crores (Previous Year ₹ 40 crores) to Yes Bank Ltd. for availing the Term Loan by its wholly owned subsidiary M/s Sukhjit Mega Food Park & Infra Ltd. for setting up the Mega Food Park. The outstanding balance of the term loan appeared at ₹ 26 Cr. as on 31.03.2022 (₹ 34 Cr. as on 31.03.2021). There is no any other Guarantee / third party Guarantee / security given / provided by the Company.
- (c) The Company has given a common Bond of ₹ 9 crores (Previous year ₹ 9 crores) to Assistant Commissioner Security of Customs/ Customs & Excise for availing exemption against import of machinery under EPCG scheme. The Company is fulfilling the export obligation under EPCG scheme of the Central Government against import of capital goods at concessional rates. The Export obligation pending to be fulfilled is ₹ 65.18 Crores (Previous year ₹ 68.59 Crores) in next 6 years. The exports of the company appeared at ₹ 12.31 Crores during the current year (PY ₹ 2.63 crores).

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

(₹ Crores)

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

- (*) ₹ 28.93 Crores is the disputed Central Excise Duty (excluding penalty & interest) demand raised by the Central Excise Dept. since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch. The product has been repeatedly tested by the Central Revenue Laboratory of the Central Excise Deptt. and found Maize Starch against the claim of the Revenue Deptt. So, the company does not foresee any liability to crystallize on this account. The matter is pending with Hon'ble commissioner, Goods & Service Tax, Jalandhar.
- (**) ₹ 2.19 Crores include demand issued by Assistant commissioner (Hqrs. Prev.), CGST, Commissionerate Shimla for ₹ 1.22 Crores and by Assistant Commissioner, CGST Nizamabad Division for ₹ 0.97 Crores, by alleging one of our products (Cattle Feed) to be taxable under GST Act. The matter is pending with the said Authorities. However, it has been proved to the satisfaction of the Deptt. that the product has been sold and used as cattle feed fully exempt under the relevant



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

chapter of the GST. So, there does not appear any liability on this front.

- (***) ₹ 2.81 Crores has been wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit. Our petition has been duly admitted by the Hon'ble High Court of Andhra Pradesh on merits and the demand has been stayed accordingly. The matter is pending before the Hon'ble High Court of Andhra Pradesh.
- (****) ₹ 0.52 crores is the demand raised by the Assessing officer by disallowing our claim for an item against the law settled by the Hon'ble Supreme Court and by ignoring the fact that the same deduction has been claimed by the company and allowed by the department in earlier years on the same grounds and same basis. The company has filed an appeal and the matter is pending before Hon'ble CIT (Appeals).

(iv) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 7.50 Crores (Previous year ₹ 4.50 Crores)

5. Earnings per share :	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	7,284.51	2,090.75
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	1,56,22,000	1,47,59,640
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	46.63	14.17
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	46.63	14.17
	2021-22	2020-21
6. Managerial Remuneration paid/payable to the Executive Directors :	(₹ Lacs)	(₹ Lacs)
(i) Salaries	125.59	59.35
(ii) Commission	53.20	13.54
(iii) Contribution to retirement benefit funds	9.03	4.88
(iv) Perquisites	11.53	9.78



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

7. DISCLOSURE UNDER IND AS- 24 ON RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED 31st MARCH, 2022 (Pursuant to Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

RELATED PARTIES

A Trusts

Lala Diwani Chand Ram Narain Trust
Arya Model Sr. Sec. School
Kamla Nehru College for Women
Arya Institute of Management & Technology
Arya Infotech Society (Regd.)

B Directors & KMPs :

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

C Directors & KMPs of Subsidiary Companies :

Sh. Dhiraj Sardana, Non Executive Director
Sh. Bhavdeep Sardana, Non Executive Director
Sh. Ajit Singh, Non Executive Director
Sh. V.K. Suri, Non Executive Director
Sh. S.D. Patel, Non Executive Director
Sh. Raman Narang, Non Executive Director
Sh. Saurabh Sethi, DGM (Finance) & CFO
Ms. Pallavi Khurana, Company Secretary

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

Sh. Pankaj Sardana	Smt. Taruna Wadhawan
Ms. Rohini Sardana	Sh. Sahil Wadhawan
I K Sardana (HUF)	Smt. Poonam Narula
Smt. Suman Sardana	Sh. Pramod Kumar Narula
Sh. Puneet Sardana	Sh. Divyang Patel
Smt. Dipti Sardana	Sh. Meeta Diyang Patel
Smt. Sona Sardana	Divyag Shankerlal Patel (HUF)
K K Sardana (HUF)	Sh. Nilesh Patel
Smt. Uma Sharma	Nilesh Shankerlal Patel (HUF)
Sh. B D Vashisth	Smt. Varsha Nilesh Patel
Sh. Sandeep Sharma	Sh. Suresh Kumar Sethi
Smt. Shakuntla Sankhyan	Master Aarav Sethi
Sh. G D Setia	Ms. Saloni Sethi
Smt. Pooja Setia	Smt. Shalvi Sethi
Aman Setia (HUF)	Smt. Anju Sethi
Smt. Parveen Setia	Sh. Rahul Dora
Ms. Shreya Setia	Sh. Ramesh Kumar
Sh. Vikram Vijay Suri	Smt. Kanchan Khurana
Smt. Shaliza Suri	


OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022
E Transactions entered during the year ended 31st March, 2022 :
(Amt ₹ Lacs)

Particulars	Trusts	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Directors of Subsidiary Co.	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Rent Paid	–	1.20 (1.20)	–	–	12.00 (12.00)	–	12.00 (12.00)
Rent Received	–	5.58 (3.07)	–	–	–	–	–
CSR Expenditure	18.00 (27.00)	–	–	–	–	–	–
Remuneration (incl. Retirement Benefits)	–	146.15 (74.01)	–	35.14 (22.14)	267.01 (161.18)	16.87 (13.87)	153.10 (95.63)
Commission	–	53.2 (13.54)	55.47 (27.07)	–	–	–	–
Sitting Fees	–	–	4.59 (1.71)	–	0.64 (0.64)	–	–
Dividend	–	175.76 (26.40)	208.67 (31.45)	–	228.46 (34.95)	–	359.74 (54.96)
Fixed Deposit Received	–	48.78 (70.75)	0.52 (76.63)	–	242.27 (233.43)	1.90 (2.00)	327.60 (350.86)
Fixed Deposit Repaid	–	198.79 (24.55)	312.10 (66.85)	–	289.97 (83.99)	–	541.85 (79.34)
Interest on Fixed Deposits	–	7.89 (16.65)	19.33 (32.05)	–	33.33 (25.27)	–	78.98 (70.55)

F Balance Outstanding - Payable on 31st March, 2022 :
(Amt ₹ Lacs)

Particulars	Executive Directors	Non- Executive Directors	Key Management Personnel excluding Directors	Directors of Subsidiary Co.	KMPs of Subsidiary Companies excluding Directors	Relatives of Directors & KMPs of Holding & Subsidiary Co.*
Amount Receivable	–	–	–	–	–	–
Remuneration	8.23 (8.55)	–	3.35 (2.70)	11.75 (13.39)	2.04 (1.87)	5.02 (4.40)
Commission	53.20 (13.54)	55.47 (27.07)	–	–	–	–
Fixed Deposit Payable	45.50 (195.51)	6.21 (317.79)	–	331.57 (372.18)	3.90 (2.00)	705.57 (920.82)
Interest on Fixed Deposits Payable	1.81 (10.43)	0.54 (20.16)	–	11.29 (10.81)	0.19 (0.01)	44.46 (54.35)

* The transactions with the Holding Company.


OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022
8. Corporate Social Responsibility (CSR):

The details of the CSR activities of the Company during the F.Y. 2021-22 :-

(A)	Amount required to be spent by the Company during the year 2021-22	₹ 79.20 lacs										
(B)	Amount of expenditure incurred :	₹ 88.52 lacs										
(C)	Shortfall at the end of the year:	NIL										
(D)	Total previous years shortfall :	NIL										
(E)	Reason for shortfall :	N.A.										
(F)	Nature of CS activities :	<ul style="list-style-type: none">• Preventive Healthcare & Environment Sustainability• Promoting Education including girl education & employment enhancing vocation skills• Livelihood enhancement projects• Contribution to the Prime Minister's National Relief Fund										
(G)	Details of related party transactions :	<table><tr><td>Trusts</td><td>(Amt in lacs)</td></tr><tr><td>• Lala Diwani Chand Ram Narain Trust</td><td>2.00</td></tr><tr><td>• Arya Model Sr. Sec. School</td><td>12.00</td></tr><tr><td>• Kamla Nehru College for Women</td><td>4.00</td></tr><tr><td>Total</td><td><u>18.00</u></td></tr></table>	Trusts	(Amt in lacs)	• Lala Diwani Chand Ram Narain Trust	2.00	• Arya Model Sr. Sec. School	12.00	• Kamla Nehru College for Women	4.00	Total	<u>18.00</u>
Trusts	(Amt in lacs)											
• Lala Diwani Chand Ram Narain Trust	2.00											
• Arya Model Sr. Sec. School	12.00											
• Kamla Nehru College for Women	4.00											
Total	<u>18.00</u>											
(H)	Provision for liability incurred by entering into a contractual obligation	N.A.										



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

9. Form AOC-1: Statement containing salient features of the Financial Statements of the subsidiary companies for FY 2021-22 (Pursuant to sec 129(3) of the Companies Act, 2013 read with rules 5 of the Companies (Accounts) Rules, 2014) :-

	(Amt. in ₹ lacs)		
Particulars	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	3,391.03	440.14	23.06
Reserves & Surplus / (Accumulated Losses)	(650.92)	(564.06)	(5.41)
Total Assets	15,651.39	88.97	101.94
Total Liabilities	15,651.39	88.97	101.94
Investments	–	–	–
Revenue from Operations	2,720.48	–	91.99
Profit / (Loss) before taxation	(529.61)	(21.11)	3.68
Provision for taxation - Deffered tax	102.75	–	(0.04)
Profit / (Loss) after taxation	(426.86)	(21.11)	3.64
Proposed Dividend (if any)	Nil	Nil	Nil
%age of Shareholding	100%	99.97%	96.17%

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	102.96	42,478.76	106.10	7,728.69
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.01)	(5.41)	0.05	(3.64)
– Scott Industries Ltd.	(1.37)	(564.06)	(0.29)	(21.11)
– Sukhjit Mega Food Park & Infra Ltd.	(1.58)	(650.92)	(5.86)	(426.86)
Minority Interest in all subsidiaries/ Associates		0.84		0.13

11. **Segment Reporting**

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



OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2022 (₹ Lacs)

Business Segment	Starch & its Derivatives	Readymade Garments	Mega Food Park	Heavy Machinery	Elimination	Consolidated Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment Revenue						
– External Revenue	1,15,386.67	70,277.61	--	--	--	1,16,205.51
– Internal Revenue	453.38	0.91	--	--	(2,447.00)	--
Total Revenue	1,15,840.05	70,278.52	--	--	(2,447.00)	1,16,205.51
2. Segment Result						
– Profit before Taxation	10,741.16	3,026.46	(21.11)	(0.64)	--	10,194.13
– Provision for Taxation	(3,012.47)	(765.00)	--	--	--	(2,909.76)
– Profit after Taxation	7,728.69	2,261.46	(21.11)	(0.64)	--	7,284.38
3. Segment Assets						
– Segment assets	78,269.17	70,626.79	88.97	109.72	(9,234.57)	84,876.90
– Segment Liabilities	33,261.12	34,323.87	212.89	212.54	(6,426.56)	40,043.03
– Capital Expenditure	2,678.81	4,845.50	--	--	--	3,069.45

NOTES

[illegible]

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 12, 2022 AT 10.00 A.M.

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

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

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Friday the 12th day of August, 2022 at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

Member's/Proxy's Signature

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

FORM NO. MGT-11

PROXY FORM

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Friday, August 12th, 2022 at 10.00 A.M. at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

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

Signed this..... day of 2022.

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