

71st
Annual Report
2014-2015



The Sukhjit Starch
& Chemicals Limited



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. S.C. Jindal - Chairman
Sh. V.K. Sardana
Sh. Naresh Sardana
Sh. S.K. Anand
Sh. V.P. Kapahi
Smt. Ravi Chowdhry
Sh. I.K. Sardana-Managing Director
Sh. K.K. Sardana-Jt. Managing Director

BANKERS

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

HDFC Bank Limited
The Mall, Lower Ground Floor 1,
Ludhiana - 141001

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

ANNUAL REPORT & ACCOUNTS 2014-2015



NOTICE

NOTICE is hereby given that the 71st Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Wednesday, the 29th day of July, 2015 at 10.00 A.M. at the Registered Office of the Company at Phagwara to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31.03.2015.
2. To declare dividend on the Equity Shares for the year ended 31.03.2015.
3. To appoint Director in place of Shri Naresh Sardana (DIN : 01213955), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Smt. Ravi Chowdhry (DIN : 07082698), who retires by rotation and being eligible, offers herself for re-appointment.
5. To ratify the appointment of Auditors for a further period of 1 years i.e. from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of Companies Act, 2013 and to fix their remuneration.

SPECIAL BUSINESS

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 196, 197 read with the Schedule V and other applicable provisions ,if any, of The Companies Act, 2013, the consent of the members be and is hereby granted to the re-appointment of Shri K. K. Sardana as the Joint Managing Director of the Company with effect from 1st September, 2015, on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the re-appointment including remuneration, commission etc. payable to Shri K. K. Sardana within the limits specified in Schedule V to The Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri K. K. Sardana.
7. To consider and if thought fit, 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, if any, read with 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 Puneet Sardana, Vice President(Operations), for the time being of the Malda Unit 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 Puneet Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Puneet Sardana."



8. To consider and if thought fit, 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 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 Pankaj Sardana, Vice President (Operations), for the time being of the Nizamabad Unit 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 Pankaj Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Pankaj Sardana."

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

"RESOLVED THAT pursuant to the provisions of Section 149,152,161 and other applicable provisions of The Companies Act, 2013, read with the rules made there under, the consent of the members be and is hereby granted to appoint Smt. Ravi Chowdhry (DIN : 07082698) as Non Executive Women Director of the company, liable to retire by rotation."

Place : Phagwara.

Dated : 20th May, 2015

By Order of the Board
Sd/-

AMAN SETIA

Vice President (Finance)
& Company Secretary

EXPLANATORY STATEMENT(S) OF ITEM NO. 6, 7, 8 & 9 (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 6

Shri K. K. Sardana was re-appointed for five years in the Annual General Meeting held on 9th August, 2010 (with effect from 1st September, 2010). His term of office is expiring on 31st August, 2015 and your Directors, subject to the approval of the members in the General Meeting, have re-appointed Shri K.K. Sardana as Joint Managing Director of the Company for a further period of 5 years with effect from 1st September, 2015 on the following terms & conditions :

1. The Joint Managing Director shall act under the superintendence, control and directions of the Board of Directors / Managing Director and is vested with the powers of governance and control of the Company and is authorized to exercise all the powers for the general conduct of business and affairs of the company efficiently and profitably.
2. The re-appointment is made for a period of 5 years with effect from 1st September, 2015.
3. REMUNERATION:
 - (a) Salary & Allowances : ₹ 5.20 Lacs p.m. with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
 - (b) Commission : ½% (Half percent) of the net profits of the company for each financial year.
 - (c) Perquisites : Perquisites shall be allowed in addition to salary and commission & will be restricted to an amount equal to the annual salary.



Unless otherwise the context requires Shri K. K. Sardana shall be entitled to the following perquisites under three categories :

CATEGORY 'A'

- (i) Free furnished accommodation with 10% deduction of salary.
- (ii) Medical re-imburement for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months salary in a period of three years as per the rules of the Company.
- (iii) Leave Travel Concession to the appointee and his family once in a year as per rules of the Company.
- (iv) Club Fee subject to a maximum of two clubs and not including membership fee or life membership fee.
- (v) Personal Accident Insurance & Medclaim Insurance as per rules of the company.

CATEGORY 'B'

- (i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act.
- (ii) Earned Leave : Full pay and allowances as per rules of the Company but not exceeding one months' leave for every 11 months of service. Encashment of leave at the end of tenure will not be considered as ceiling on the computation of perquisites.

CATEGORY 'C'

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

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

The company has grown significantly with new projects, expansions or diversified product portfolios under his able stewardship. The Company has shown a quantum jump in its turnover and profitability over the years. The Company has been sanctioned a Mega Food Park by the Ministry of Food Processing Industry (MoFPI) Govt. of India during March, 2015 and Sh. K.K. Sardana will be required to play a vital role in the commissioning, successful running of the Mega Feed Park. The Board, therefore, in the overall interest and future growth of the company, recommends his re-appointment for a period of five years with effect from 1st September, 2015.

None of the Directors except Shri K. K. Sardana himself, Shri I.K. Sardana (being brother of Shri K. K. Sardana) and Smt. Ravi Chowdhry (being sister of Shri K.K. Sardana) is concerned or interested in this resolution.

ITEM NO. 7

Shri Puneet Sardana was appointed as Vice President (Operations) of Malda Unit of the Company with effect from 01/08/2012 & his appointment was duly approved by the Shareholders in the Annual General Meeting as per the provisions of section 314 of The Companies Act, 1956 read with The Directors' Relatives (Place of Profit) Rules, 2003 amended to that date.

Shri Puneet Sardana is a qualified Management Graduate from a leading University of U.K. He had rich experience



of more than eight years to his credit in the field of Production management and General administration prior to joining the Company. He has made substantial contribution in improving the operations of Malda Unit while working as Vice President (Operations) of that Unit of the Company, where productivity and efficiency has considerably improved with substantial increase in profitability. 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 to increase his salary in future. The Board, therefore, in the overall interest and future growth of the Company, recommends increase / revision in his salary in the pay scale of ₹ 1,80,000/- to ₹ 5,00,000/- p.m. (with annual increment as the management may deem fit as per the rules of the Company) with usual perks as applicable to other Senior Executives of his level i.e. :

1. He will be entitled to free accommodation with reasonable furnishing as per rules of the company.
2. He will be eligible to the 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-imburement, 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 Puneet 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 Puneet Sardana is concerned or interested in the resolution.

ITEM NO. 8

Shri Pankaj Sardana was appointed as Vice President (Operations) of Nizamabad Unit of the Company with effect from 01/08/2012 & his appointment was duly approved by the Share-holders in the Annual General Meeting as per the provisions of section 314 of The Companies Act, 1956 read with The Directors' Relatives (Place of Profit) Rules, 2003 amended to that date.

Shri Pankaj Sardana is a post graduate in management in UK having vast experience running over eight years, in field of Marketing and Production Management prior to joining the Company and has strongly improved and strengthened the Production functions of Nizamabad Unit raising its productivity and efficiency. He has played a key role in developing export market for the Unit. 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 to increase his salary in future. The Board, therefore, in the overall interest of the Unit and the Company, recommend increase / revision in his salary in the pay scale of Rs.1,80,000/- to Rs.5,00,000/- p.m. (with annual increment as the management may deem fit as per the rules of the Company) with usual perks as applicable to other Senior Executives of his level i.e. :

1. He will be entitled to free accommodation with reasonable furnishing as per rules of the company.
2. He will be eligible to the 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-imburement, 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 Pankaj Sardana.
4. Personal accident insurance and mediclaim insurance policies as per rules of the company.

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



ITEM NO. 9

In pursuance to section 149 and 161 of The Companies Act, 2013, read with rules made thereunder, Smt. Ravi Chowdhry had been appointed as a women director of the company to fill the casual vacancy created by the resignation of Shri A.K Sardana, to hold office till the date upto which Shri A.K Sardana would have held the office i.e. upto this AGM. Hence, her continuation as a director requires the approval of members in the General Meeting.

Smt. Ravi Chowdhry completed her Master' s degree in English from Punjab University and pursued her Post Graduation in teaching in New Castle, U.K, She retired as Head of Department from Comprehensive school, New Castle, U.K. She has a vast experience in the field of administration & social work and has been associated with various councils, societies and other social organizations. Earlier also, she has been associated for guiding the Management for discharging the Social obligations in the field of education etc.

The Board of Directors recommends the appointment of Smt. Ravi Chowdhry as a Non Executive Women Director of the company, liable to retire by rotation.

None of the Directors except Smt. Ravi Chowdhry, herself , Shri I. K. Sardana and Shri K.K. Sardana, both being brothers of Smt. Ravi Chowdhry is concerned or interested in the 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. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2015 and Profit & Loss Account for the year ended on that date together with the Independent Auditors' Report and Directors' Report thereon are also enclosed. Members, are, however, requested to bring their copies of the Annual Report to the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 18th July, 2015 to 29th July, 2015 (both days inclusive).
4. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
5. The payment of dividend (as recommended by the Board) will be made as under on 04.08.2015, after its approval in the AGM :
 - (a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 17th July, 2015.
 - (b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 17th July, 2015.
6. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail Ids by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares



held in Demat form to enable the Company to serve them documents / all communications including Annual Report, Notices, circulars etc. in electronic form.

7. The notice of the AGM along with the Annual Report, 2014-15 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
8. Members are hereby informed that, Dividends which remain unclaimed / unencashed 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. Further, under the amended provisions of the Companies Act, 2013 no claim shall lie for unclaimed dividends either from the company or the IEPF thereafter.
9. Members, who have not encashed their dividend warrants for the financial year 2007-2008, 2008-2009, 2009-2010, Interim Dividend 2010-2011 and Final Dividend 2010-2011, 2011-2012, 2012-2013 & 2013-14 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid / unclaimed amount will be deposited to the Investors Education and Protection Fund as per the given schedule :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2007-2008	27.08.2008	26.08.2015
2008-2009	25.08.2009	24.08.2016
2009-2010	09.08.2010	08.08.2017
2010-2011 (Interim Dividend)	11.01.2011	10.01.2018
2010-2011 (Final Dividend)	01.08.2011	31.07.2018
2011-2012	09.08.2012	08.08.2019
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021

10. Members holding shares in single name and physical form are advised to make nomination in respect of their share-holding in the Company. Every person, who becomes the nominee under the provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
11. 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.
12. Information under clause 49 of the Listing Agreement with the Stock Exchange, Mumbai in respect of Director seeking appointment / re-appointment at the Annual General Meeting is given hereunder :
 - (a) Shri Naresh. Sardana retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
Shri Naresh Sardana is B. E. (Electrical) and has served as Area Sales Manager (Middle East) with M/s. Brook Crompton International. He does not hold any other directorship and holds 5000 shares of our company.



He has long association with the Company and has contributed significantly to the overall growth of the company over the years, the board, therefore, recommends his re-appointment.

- (b) Smt. Ravi Chowdhry retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Smt. Ravi Chowdhry completed her Master' s degree in English from Punjab University and pursued her Post Graduation in teaching in New Castle, U.K, She retired as Head of Department from Comprehensive school, New Castle, U.K. She has a vast experience in the field of administration & social work and has been associated with various councils, societies and other social organizations.

She does not holds any other directorship and holds 252158 shares of our company.

Smt. Ravi Chowdhry, herself, Shri I.K. Sardana and Shri K. K. Sardana, being the brothers of Smt. Ravi Chowdhry may be deemed to be interested in the resolution relating to the said re-appointment

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

Commencement of e-voting : From 9.00 A.M. on 26th July, 2015

End of e-voting : Upto 5.00 P.M. on 28th July, 2015

E-voting shall not be allowed beyond 5.00 P.M. on 28th July, 2015. During E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut off date, may cast their vote electronically. The cut off date of e-voting is 22nd July, 2015. The date of determination of shareholders for the purpose of dispatch of notice is 19th June, 2015.

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

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

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

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

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



DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 71st Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2015 :-

1. FINANCIAL RESULTS

	2014-15 (₹ in Crores)	2013-14 (₹ in Crores)
Sales & Other income	534.17	508.91
Earning before Interest, tax and Depreciation	65.55	51.58
Less :-		
– Interest	17.77	16.65
– Depreciation	13.29	12.27
– Provision for taxes (including Deferred Tax)	11.28	6.62
Profit After Tax	23.20	16.04
Surplus brought forward from previous year	10.43	12.41
Surplus available for appropriation	33.63	28.45
Proposed dividend (including Corporate Tax)	4.43	3.02
Transfer to General Reserves	20.00	15.00
Surplus carried forward	9.21	10.43

2. PERFORMANCE

Last year, our sales have increased from ₹ 509 crores to ₹ 534 crores. The insignificant increase in turnover has been due to lower prices of some finished goods and disruption of operations at Nizamabad unit for about a month. Despite increase in topline by just about 5%, lower raw material cost & operational efficiencies helped the company to significantly improve its EBITA margin by 215 bps which has jumped from ₹ 51.58 Crores for the F.Y. 2013-14 to ₹ 65.55 for the F.Y. 2014-15. Net profit has also shown a healthy growth of about 45% increasing from ₹ 16.04 crores to ₹ 23.20 crores.

3. FUTURE PROSPECTUS

We are cautiously optimistic about the current year as we see good availability of raw material at reasonable price during the running year. The expansion of our H.P. unit has been completed and its increased production with enhanced utilization of Malda unit will increase our top line by over 10% with reasonable profitability. Our focus on diversification across customers and markets will also help the company to expand its out-reach.

4. MANAGEMENT DISCUSSION AND ANALYSIS

As per Clause 49 of the Listing Agreement with the Bombay Stock Exchange, Management's discussion and analysis report is annexed herewith marked as 'Annexure A' and forms a part of this report.



5. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all the applicable laws, rules and regulations. In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchange, the Company has duly implemented the system of Corporate Governance. The report on Corporate Governance as stipulated under the Listing agreement is annexed herewith marked as 'Annexure B' of this report.

6. DIVIDEND

The Directors are pleased to recommend a dividend of 50% during the financial year ended 31st March, 2015 against 35% last year.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements 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;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2015 on a 'going concern' basis;
- (v) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. DEPOSITS

All the deposits have been accepted/ renewed / repaid as per the provisions of the Act. The company had no unclaimed / unpaid deposits on 31/03/2015.

9. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara: The Company has shown a net profit for the year under reference. The company is expected to improve upon its performance in the years to come.
- (b) Sukhjit Finance Ltd., Phagwara : Your company has totally disinvested its stake in this Company, during the year under reference and it has ceased to be the Company's subsidiary.
- (c) Scott Industries Ltd., Phagwara: The Company has shut down its operations. Most of its assets have been already disposed off and efforts are on to realize the dues from its customers.

There has been no material change in the nature of business of the Subsidiaries.

As required under the Listing Agreement with the Bombay Stock Exchange, Consolidated Financial Statements



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

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2015 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company / its Subsidiaries who may be interested in seeking such information and are also available for inspection by any shareholder of the Company / its subsidiaries at the registered office of the Company / its subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any shareholder on demand.

10. CONTINGENT LIABILITY

Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 24.16 Crores. The amount mainly includes ₹ 22.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notice against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of ₹1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise. In other cases, for ₹ 0.06 crores, the decisions are in favour of the Company and the department is in appeal before the Tribunal.

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 detail of the employees who are in receipt of remuneration over ₹60.00 Lacs p.a. if employed throughout the year or ₹ 5.00 Lacs p.m. if employed for a part of the year during 2014-15 given below :

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	69	Managing Director	98.44
2	Shri K.K. Sardana	67	Jt. Managing Director	91.38



Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	49	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	44	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri S.M. Jindal	83	Executive Director	70.06

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.sc, L.L.B.	55	15.06.1960	The Sukhjit Starch & Chemicals Ltd., Phagwara Secretary

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

12. DIRECTORS

- In accordance with the provisions of the Act, Shri Naresh Sardana and Smt. Ravi Chowdhry retires by rotation and being eligible, the Board recommends their reappointment.
- The Company has received declarations from all the independent directors of the company confirming that they meet the criteria of independence as prescribed in subsection (6) of Section 149 of the Companies Act, 2013 and clause 49 of the listing agreement with stock exchange.
- Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the board and its committees which, inter-alia, includes evaluation of leadership abilities, contribution in corporate objectives & plans, regular monitoring, effective decision making ability, attendance and contribution at Board and Committee meetings etc.



13. INTERNAL FINANCIAL CONTROLS

Internal financial control systems of your company ensure the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals and compliance with laws & regulations. The Internal & External Auditors of the Company also measures the effectiveness of internal control 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 its effectiveness and efficiency.

14. RISK MANAGEMENT

Your Directors have constituted a Risk management Committee and defined its roles and responsibilities, which focuses that all the risks that the organization faces such as Strategic, Operational, Compliance, Financial and other risks have been identified and assessed and there is adequate risk management infrastructure in place capable of addressing those risks.

15. VIGIL MECHANISM

Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and Clause 49 of the Listing Agreement with the Stock Exchange, the Company has established a vigil mechanism, which also incorporates a Whistle Blower Policy, for Directors and employees to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance. Whistle Blower Policy of the Company may be accessed on the Company's website at the link: http://sukhjitgroup.com/whistle_blower_policy.html.

16. AUDIT COMMITTEE

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

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities conducted during the financial year 2014-15 is annexed herewith marked as 'Annexure D' of this report.

18. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

19. MEETINGS OF THE BOARD

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



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

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

21. EXTRACT OF ANNUAL RETURN

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

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

Conservation of Energy

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

The Company continuously monitors its energy consumption and takes necessary steps to conserve / save energy by installing / replacing the equipments, where feasible, after due technical appraisal and energy audits. The main areas include:

- (i) Better Capacitor tanks have been installed to improve power factor at all plants of the Company.
- (ii) Multi effect evaporators of Dextrose Monohydrate and Liquid Glucose plants have been modified to reduce the number of feeding pumps.
- (iii) Starch centrifuge has been modified at Phagwara to achieve lower power consumption during scrapping operation.
- (iv) Agitators have been removed from the saccharification tanks, reducing power consumption in the agitation process.

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

Company is considering various steps for utilizing various alternate sources of energy like generating power from Bio fuel gas / solar and generating bio fuel gas from the agricultural waste. The Company is already producing Bio fuel gas from its effluent waste, which is being used for drying / generating steam / replacing furnace fossil fuel.

(c) The capital investment on energy conservation equipments:

During the year, the Company has made capital Investment of ₹ 43.36 lacs, on account of energy conservation equipments at its Phagwara (Pb.) and Gurplah (H.P.) unit.

Technology Absorption

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

Research & Development

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

Expenditure on R & D

The Company has spent ₹ 59.02 lacs during the year under reference (₹ 54.08 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their application.



Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 438.68 lacs (₹ 936.56 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ NIL (₹104.54 Lacs during previous year), Spare parts, components and consumables of ₹ 31.19 (₹17.00 Lacs during previous year) on C.I.F. basis and incurred foreign traveling exp. of ₹ 2.90 Lacs (₹ 3.84 lacs during previous year)

23. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors :

M/s. Y. K. Sud & Company, Chartered Accountants, the retiring Auditors of the Company, have confirmed their eligibility to be re-appointed as Statutory Auditors of the Company at the ensuing Annual General Meeting. The Board of Directors recommend the re-appointment of M/s. Y. K. Sud & Company, Chartered Accountants as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

The Auditor's report does not have any qualification, reservation or adverse remark.

Cost Auditors :

The Board of Directors recommend, subject to the approval of the Central Government, the re-appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2015-16. The Cost Audit Report for the financial year ended 31st, March 2015 is due to be filed with the Ministry of Corporate affairs on or before September, 2015 and the cost audit report for the financial year ended 31/03/2014 was duly filled on 29/09/2014.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit report for the financial year ended March 31, 2015 is annexed herewith marked as 'Annexure F' of this report. The Board of Directors have re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretary, as Secretarial Auditors for the financial year 2015-16.

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

14. ACKNOWLEDGEMENT

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

Yours truly,

For and on behalf of the Board,

Sd/-

S.K. ANAND

Officiating Chairman

Dated : 20th May, 2015



ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT :

The Sukhjit Starch & Chemicals Ltd. (SSCL) has emerged as one of the largest Starch manufacturers in India. The company is engaged in developing, manufacturing and distribution of Maize Starch, Dextrines, Liquid Glucose, Malto Dextrine, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol and related bye-products. The company has been continuously improving product mix fully backed by well equipped research and development facilities.

The Management believes that quality is the lifeline of every business and the company is committed to meet customer requirements by manufacturing and supplying quality products to their entire satisfaction. The company meticulously follows a balanced and fair business policy for dealing with vendors, customers and other stakeholders. The management works with a vision to maximize shareholders values through the optimal and prudent use of available resources by following the transparent and ethical business practices.

The company has full fledged manufacturing facilities in four different states with optimal product mix. The facilities are located in / close proximity to major maize growing areas in the country with logistic advantages in respect of raw material procurement and supply of finished goods at a lower freight cost to the regional customers. Multi-locational presence helps the company increase its market visibility and expand its geographical reach with a broader customer base. The company has an excellent customers profile which includes Multi National Companies and leading Corporates in the user industry.

The company's products are mainly supplied to four major industrial sectors i.e. Food, Textile, Pharmaceutical and Paper. The edible starch finds a number of applications in the Food Industry i.e. in sauces and soups, puddings, cakes, breakfast cereals, ice cream and other canned foods. Besides it is exceedingly used in textile industry, pharmaceutical and paper. Starch derivatives like Sorbitol finds vital applications in FMCG like tooth paste, cosmetics etc. All the user industrial sectors have a fairly good growth potential ranging from 5 to 20% per annum.

India's per capita consumption of Maize Starch is much lower as compared to other countries in the world. Starch is still used in a limited way in our country whereas in the developed nations it finds more than 1,000 applications. The Industry needs to grow at 15-20% p.a. for next ten years to reach a reasonable level of consumption. Maize Starch is also going to be a vital ingredient for the manufacture of Biodegradable plastic packaging.

RAW MATERIAL SCENARIO :

Corn Wet Milling Industry is one of the large consumers of corn worldwide and about 2/3rd of Starch produced globally is made out of corn. In India, Starch industry consumes, close to 12% of the total maize production which is not very high by any count. The total maize production in India is around 25 Million Tonnes against global production of 960 + Million Tonnes. U.S.A., Argentina, Brazil and Ukraine produce about 80%+ of the total maize production and appear to be the major consuming and exporting countries. Increased production of maize in the



ANNEXURE 'A' TO THE DIRECTORS' REPORT

U.S. last year helped in stabilizing maize prices which showed a downward trend. It helped Starch Industry optimize its cost of raw material with continuous availability throughout the year. We expect that Maize prices are going to remain stable during the running year also. No doubt lower production in Andhra, Karnataka and Maharashtra did affect the availability during the Kharif season but good Rabi crop in Bihar and other states is expected to fill the gap.

PERFORMANCE AND FUTURE OUTLOOK :

Last year, our sales have increased from ₹ 509 crores to ₹ 534 crores due to lower prices of some finished goods and disruption of operations at Nizamabad unit for about a month. Despite increase in topline by just about 5% lower raw material cost & operational efficiencies helped the company to significantly improve its EBITA margin by 215 bps which has jumped from ₹ 51.58 Crores for the F.Y. 2013-14 to ₹ 65.55 for the F.Y. 2014-15. Net profit has also shown a healthy growth of about 45% increasing from ₹ 16.04 crores to ₹ 23.20 crores.

We are cautiously optimistic about the current year as we see good availability of raw material at reasonable price during the running year.

The expansion of our H.P. Unit has been completed and its increased production with enhanced capacity utilization of Malda Unit will increase our topline fairly by over 10% with reasonable profitability. Our focus on diversification across the customers and markets will also help the company to expand its out-reach.

OPPORTUNITIES :

The price and availability of maize plays a vital role in the viability and profitable running of Starch Industry. With its wide applications, maize is also referred to as the Queen of Cereals. It is estimated that nearly one-fourth of the stock keeping units in a modern grocery store contain maize starch in one form or the other. These range from toothpaste, detergent, paper, dyes, soaps to artificial sweeteners etc. Maize starch also finds application in food containers, plastic food packaging, baby powder, diapers, medicine, vitamin tablets, textile products, candies and so on.

Spurring maize production in the country is technological intervention in the form of hybridisation. The area under maize hybrids is expanding every year and it is expected to lead to a surge in production. Further, maize production has the potential to double in the next ten years provided we keep our focus on increasing productivity.

CONCERN :

While Indian maize production has been rising, there is still a long way to go - the country's productivity is less than half of the global average. The productivity in India is just 2.5 tonnes per hectare against the world average of 5.5 tonnes. Currently, hybrids constitute only about 30 per cent of the area in India under maize compared with 85 per cent in the US.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

It is also important to ensure better price discovery of maize. Maize is mostly grown by small and marginal farmers. There is no organized market/single place for bulk procurement and maize has to be procured from individual farmers or through middle men/traders. This may hamper regular availability or may cause price fluctuations. Hence, improved price discovery and better realisation of crops become the key in giving a push to maize production. Other concerns /risks include lower demand for company's products due to slow economic recovery and margin risk.

RESEARCH & DEVELOPMENT (R&D) :

The R&D of your company gives it the competitive edge to meet emerging challenges and ensure that the Company always stays on the path of innovation. As new technologies are being constantly introduced in the market space, which is essential for remaining competitive in today's era. Your company mainly focuses on technology that is expected to deliver the most promising long-term results and deliver high quality products to add value to the customer's business.

HUMAN RESOURCE DEVELOPMENT :

Recruiting is just the first part, the second and the important part is retaining the employee and this happens when there are good HR practices and processes in place to ensure that the employees are happy. Your company takes pride in the fact that we consider employees as human resources and not just resources.

It is necessary to develop good and satisfactory human resource climate for growth and survival of industry. The key themes of the company can only be achieved by enhancing the skilled talent pool through good HRD practices, strengthening long-term entrepreneurial environment.

For this, the company carries out various training programs and knowledge sharing sessions to create awareness amongst the employees, their medical care, creating sense of security, building superior work place, creating new roles for potentials/ prospective employees and maintain highest standards of safety norms etc.

CAUTIONARY STATEMENT :

Good expectations stated in this Management Discussion & Analysis may be 'Forward Looking Statements' within the meaning of the applicable securities - laws and regulations, future results may be different as company's operations, may be affected by change in the demand and supply, price in the domestic and international markets, changes in Government Regulations, Tax Laws or other statutes and more importantly production and availability of the basic raw material.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

In accordance with revised clause 49 of the Listing Agreement with the Bombay Stock Exchange (BSE):

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY :

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

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

2. BOARD OF DIRECTORS :

The Composition of the Board and category of Directors as on March 31, 2015 are given hereunder :

Category	Name of Directors
Executive Promoter Directors	Shri I. K. Sardana (Managing Director) Shri K. K. Sardana (Jt. Managing Director)
Non-Executive Promoter Directors	Smt. Ravi Chowdhry (women Director) Shri V. K.Sardana Shri Naresh Sardana
Independent Directors	Shri S.C. Jindal (Independent Chairman) Shri S. K. Anand Shri V. P. Kapahi

Shri A.K. Sardana (DIN 00528532) and Shri S.M. Jindal (DIN 00398435) have resigned from the directorship of the Company, owing to their personal reasons w.e.f. 2nd February, 2015 and 3rd March, 2015 respectively. The Board appreciates their contributions and valuable advices during their long association with the Company. Smt. Ravi Chowdhry (DIN 07082698) has been appointed as a non-Executive women Director of the company w.e.f. 2nd February, 2015.

During the Financial Year 2014-15, ten Board meetings were held on 29/04/14, 30/04/14, 30/05/14, 20/06/14, 29/07/14, 01/08/14, 11/11/14, 22/01/15, 02/02/15 and 03/03/15.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies
Shri S.C. Jindal	Independent Chairman	4	–	–
Shri I.K. Sardana	Managing Director	10	2	3 (member)
Shri K.K. Sardana	Jt. Managing Director	9	2	–
Shri S.M. Jindal	Executive Director	7	2	–
Shri V.K. Sardana	Non Executive Director	7	1	–
Shri A.K. Sardana	Non Executive Director	4	–	–
Shri Naresh Sardana	Non Executive Director	4	–	–
Smt. Ravi Chowdhry	Women Director	2	–	–
Shri S.K. Anand	Independent Director	7	–	–
Shri V.P. Kapahi	Independent Director	9	–	–

3. COMMITTEES OF THE BOARD

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

(i) Audit Committee :

The role of Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013 or other matters as may be referred by the Board of Directors from time to time. These, inter-alia, include to oversee the capital & revenue budget of the Company, oversee the Company's financial reporting process, review with the management, the adequacy of internal control system, hold discussion with auditors about the internal control system and scope of audit including observations of the Auditors, review company's financial & risk management policies and review with the management the quarterly, half yearly & annual financial statements before submission to the Board.

The composition of the Audit Committee is given below :

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

*Appointed in the last quarter of the financial year 2014-15.

The details of Audit Committee and their meetings are given below :

		Meetings held during the year	Meetings attended
Shri V.P. Kapahi	Independent Director	06	05
Shri S.K. Anand	Independent Director	06	06
Shri S.C. Jindal	Independent Director	06	03
Shri S.M. Jindal	Executive Director	06	04
Shri K.K. Sardana	Jt. Managing Director	06	01



ANNEXURE 'B' TO THE DIRECTORS' REPORT

(ii) Corporate Social Responsibility (CSR) Committee :

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

(iii) Stake Holders' Relationship Committee :

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

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

The Company has received one complaint during the year, from its shareholders, which was successfully resolved.

(iv) Risk Management Committee :

Pursuant to the requirement of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has constituted a Risk Management Committee comprising of Shri I. K. Sardana as the Chairman, Shri K. K. Sardana and Shri M. G. Sharma as the members. The role of the Committee is to continuously foresee the financial & commercial risks including raw material availability, raw material price, demand/ margin risk etc. and take timely remedial measures to ensure profitable and efficient running of the business activities. The Committee also ensures that all known and emerging risks are identified and timely mitigated or managed.

(v) Nomination & Remuneration Committee :

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

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

		Meetings held during the year	Meetings attended
Shri S.K. Anand	Independent Director	03	03
Shri I.K. Sardana	Managing Director	03	03
Shri S.C. Jindal	Independent Director	03	02
Shri V.P. Kapahi	Independent Director	03	03



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

Name	Salary	Commission	(Amount in ₹ Lacs)		Total
			Perquisite Value	Retirement Benefits	
Sh. I.K. Sardana	60.72	17.42	15.40	4.91	98.44
Sh. K.K. Sardana	59.40	17.41	9.77	4.80	91.38
Sh. S.M. Jindal	46.68	15.96	3.64	3.78	70.06

The company has been paying commission @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 to the Non Executive Directors as per the necessary approvals / sanctions obtained at the time and approval of the shareholders obtained by way of a special resolution in the Annual General Meeting for continuation of the same. Non Executive Directors are also paid Sitting Fee @ ₹ 9,000/- per meeting besides out of pocket expenses / traveling expenses incurred in connection with attending the said meeting. The Company does not have any Stock Option Scheme.

Remuneration Policy :

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

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
29/07/2014	Regd. Office, Phagwara	10.00 A.M.	1. Acceptance of deposits from its members and the Public. 2. Increase/revision in the remuneration of Shri Bhavdeep Sardana, Sr. V.P. & CEO. 3. Increase/revision in the remuneration of Shri Dhiraj Sardana, Sr. V.P. & CEO.
06/08/2013	Regd. Office, Phagwara	10.00 A.M.	1. Reappointment of Shri I. K. Sardana as the Managing Director of the Co. for five years.
09/08/2012	Regd. Office, Phagwara	10.00 A.M.	1. Appointment of Shri Pankaj Sardana as V.P. (operations) of Nizamabad unit of the Co. 2. Appointment of Shri Puneet Sardana as V.P. (operations) of Malda unit of the Co.



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 29th July, 2015.

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

5. DISCLOSURES

(i) Disclosures on materially significant related party transactions:

The Company has not entered into any material transaction with its Promoters, Directors, their Relatives or any Key Managerial Personnel 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 on arm's length price, in terms of AS-18 and are given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report.

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

(iii) Whistle Blower Policy : Your Company believes in fair & transparent conduct of its affairs and sets the high standards in good and ethical Corporate Governance practices. Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and Clause 49 of the Listing Agreement with the Stock Exchange, the Company has established a vigil mechanism for Directors and employees to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance, the Company has formulated its Whistle blower Policy. This policy shall act as a neutral and unbiased forum for the Directors, employees and its stakeholders.

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

(iv) The Company has complied with all mandatory requirements of clause 49 of the listing agreement.

6. MEANS OF COMMUNICATION :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

7. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting : 29th July, 2015 at 10.00 A.M. at the
Date, Time & Place Registered Office of the Company at Phagwara.
- (b) Financial Year : 2014-2015
- (c) Date of Book Closure : 18th July, 2015 to 29th July, 2014.
- (d) Dividend Payment : Within Statutory period
- (e) Listing on Stock Exchange : Bombay Stock Exchange
- (f) Stock Code : 524542
- (g) CIN : L15321 PB1944 PLC 001925
- (h) Registrars & Share Transfer Agents : The Share Transfers are done by Skyline Financial
Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla
Industrial Area, Phase-1, New Delhi - 110020
Phone No. (011) 26812682
E-mail ID : admin@skylinerta.com
- (i) Dematerialization of Shares : The Company's Equity shares are held in
dematerialised form on NSDL & CDSL.
65,65,367 shares i.e. 88.96% of equity capital
have been dematerialized as on 31.03.15 out of
which promoter's shares are 44,49,575 (100% of
the Promoters share holding is held in Demat
form) and public shares are 21,15,792 (72.20%
of the total Public Share Holding is held in Demat
form).



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

	No. of Shares 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	507	64,660
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	4	463
Number of shareholders to whom shares were transferred from the suspense account during the year	4	463
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2015	503	64,197

The voting rights on the shares outstanding in the suspense account as on 31st March, 2015 shall remain frozen till the rightful owners of such shares claim the shares.

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

- (l) Distribution of Shareholding as on 31.3.2015 :

Category	No. of Shares	Percentage
1. Promoters (including 2,90,706 shares of NRI's)	44,49,575	60.29%
2. Banks, Financial Institutions, Govt. institutions etc.	28,314	0.38%
3. Corporate Bodies	1,90,942	2.59%
4. NRIs/FFIs/OCBs	15,913	0.22%
5. General Public	26,95,076	36.52%
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>



ANNEXURE 'B' TO THE DIRECTORS' REPORT

(m) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2014-2015 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2014	22939.31	22197.51	255.00	200.00
May, 2014	25375.63	22277.04	241.90	203.60
June, 2014	25725.12	24270.20	281.95	212.05
July, 2014	26300.17	24892.00	279.00	225.00
Aug., 2014	26674.38	25232.82	279.00	241.00
Sept., 2014	27354.99	26220.49	324.00	258.05
Oct., 2014	27894.32	25910.77	318.00	272.00
Nov., 2014	28822.37	27739.56	325.00	272.20
Dec., 2014	28809.64	26469.42	297.00	240.00
Jan., 2015	29844.16	26776.12	304.70	251.80
Feb., 2015	29560.32	28044.49	282.80	255.10
March, 2015	30024.74	27248.45	283.00	228.00

8. LOCATION OF PLANTS

(i) The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (PB.)
Phone No. (01824) 468800, 260216, 260314
Fax No. : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com

(ii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (Telangana)
Phone No. (08462) 239102, 238622
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com

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

(iv) The Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. (01975) 257311, 257314
Fax No. (01975) 257312
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 Directors, Chief Financial Officer and Company Secretary during the financial year 2014-15 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 are as under :

(i) & (ii)		Remuneration of Director/KMP For financial year 2014-15 (Rs. In Lacs)	% increase in Remuneration in the Financial Year 2014-15	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation			
1.	I.K. Sardana (Managing Director)	98.44*	16.76*	90.60
2.	K.K. Sardana (Jt. Managing Director)	91.38*	18.86*	84.10
3.	S.M. Jindal (Executive Director)	70.07*	**	**
4.	S.C. Jindal (Chairman)	6.06*	–	5.58
5.	V.K. Sardana (Non-Executive Director)	6.33*	–	5.83
6.	S.K. Anand (Non-Executive Director)	6.33*	–	5.83
7.	Naresh Sardana (Non-Executive Director)	6.06*	–	5.58
8.	V.P. Kapahi (Non-Executive Director)	6.33*	–	5.83
9.	A.K. Sardana (Non-Executive Director)	5.09*	**	**
10.	Ravi Chowdhry (Non-Executive Women Director)	0.97	**	**
11.	M.G. Sharma (Sr. V.P. & C.F.O.)	23.44	12.54	N.A.
12.	Aman Setia (V.P. Fin. & Company Secretary)	13.34	15.70	N.A.

* The increase in the remuneration of the Executive and non-Executive Directors had been due to considerable increase in the Net Profit of the Company during the year and part of their remuneration is paid by way of commission related to the profits.

** Smt. Ravi Chowdhry has been appointed during the financial year and Shri S.M. Jindal & Shri A.K. Sardana were Directors only for a part of the financial year.

---The company has been paying commission @ 1% of the net profits to the Non Executive Directors along with Sitting fee @ ₹ 9,000/- per meeting and Executive directors have been paid commission @ 0.50% each of the Net profits besides salary and other perks.



ANNEXURE 'C' TO THE DIRECTORS' REPORT

- (iii) The percentage increase in the median remuneration of employees had been 12.36% during the financial year.
- (iv) There were 1134 permanent employees on the rolls of Company as on March 31, 2015.
- (v) The average increase in remuneration of employees/ workers had been well in line with the Company's performance.
- (vi) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, C.F.O. & Company Secretary) has increased by around 17% i.e. from ₹ 193.55 lacs to ₹ 226.60 lacs in the financial year 2014-15, as compared to increase in Net profit of the Company by around 45% i.e. from ₹ 1604.02 lacs to ₹ 2320.46 lacs.
- (vii) (a) The market capitalization of the company as on March 31, 2015 was ₹ 187.74 crores as compared to ₹ 146.08 crores at the end of the preceding financial year.
(b) Price Earning Ratio of the company as on 31/03/2015 was 8.09 times as compared to 9.11 times as on 31/03/2014.
(c) The Company had listed with Bombay Stock exchange in 1994 and closing price on the day of listing was Rs. 140, which has been increased to ₹ 254.40 as on March 31, 2015, Hence, shown an percentage increase in market price by 81.71%. The percentage would be much higher if we take the effect of bonus shares issued subsequently and liberal dividend payouts uninterruptedly since 1994.
- (viii) Average percentage increase made in the salaries of employees/workers other than the managerial personnel in the last financial year i.e. 2014-15 was 12.74 % whereas the increase in the managerial remuneration was around 17%. The main increase in the percentage of managerial remuneration has been due to variable component of commission relatable to the profit of the company, which has been increased by about 45%.
- (ix) Remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, C.F.O. & Company Secretary) has increased by around 17% as compared to increase in Net profit of the Company by around 45%.
- (x) The key parameters for the variable component of remuneration availed by the directors: - The Commission is the only variable component of remuneration payable to the directors and since it being related to the profits of the Company, it clearly gets paid according to the profits of the Company.
- (xi) There is no such employee who is not director of the company and received remuneration in excess of the highest paid director during the year.
- (xii) It is hereby affirmed that the remuneration paid is as per the as per the Remuneration Policy of the Company.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES

The company strongly believes that sustainable community development is not only essential for harmony between the community and the industry but also vital for overall industrial development and sustainability. It endeavors to make a positive contribution to the communities by supporting a wide range of socio-economic, educational and health initiatives.

Through its Corporate Social Responsibility policy, the company focus on contributing to the social and economic development of the communities in which it operates. It is the company's intent to make a positive difference to the society by promoting education, providing infrastructure support, water & sewerage management, women empowerment, initiatives for physically and mentally challenged people and promotion of sports etc.

The company has continuously contributed to rural / public / educational development programmes and actively helped in establishing various Schools, Colleges, Blood Bank etc. The company has commissioned state of the art facilities to convert its de-bio-degradable waste into valuable energy which over the years has resulted in substantial saving of petroleum products thereby reducing the company's carbon foot print significantly.

Major CSR activities include :

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

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

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

- A Blood donor council which, besides, organizing blood donation awareness camps, donates free blood to number of Thalassaemia patients on a regular basis and at concessional cost to the others.
- Bi-monthly free dental care camps with supplies of free dentures to old people.
- Free eye care and operation camps for the needy and poor patients of the area on a regular basis.
- Cancer awareness camps have been organized periodically, to create necessary awareness, early detection and control.
- Generous financial contribution and management assistance to Help Age International Charitable Trust (Regd.), which serves over 100 residential inmates in its Ashram besides providing all the help to the old orphans, handicapped and blind persons.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Other activities :

Contribution to National Rural Development society engaged in enhancing sewerage facilities in surrounding rural/backward areas. The Environment Association has, inter-alia, planted and maintaining number of trees in the surrounding areas. The Company continues to extend support to the sportspersons by way of extensive assistance towards their training and participation in tournaments. Various Sports organizations have been assisted to promote sports/other activities enabling to channelize youth energy for productive uses.

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

The company will serve its communities by :

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

CSR Committee :

In compliance with the provisions of the Companies Act 2013, your company has formed a Corporate Social Responsibility Committee, which comprises of Shri K.K. Sardana as chairman, Shri S.C. Jindal and Shri V.P. Kapahi as members. Its activities will, inter-alia, include framing/monitoring of the CSR Policy of the company & undertaking the necessary steps for its implementation and recommending the amount of expenditure to be incurred on CSR activities.

Prescribed CSR Expenditure:

Our Company is required to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, as per the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 read with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 issued by The Ministry of Corporate Affairs. The Net Profits has to be computed in terms of Section 198 of the Companies Act, 2013, detail of which is as follows :

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2013-14	2225.51
2012-13	2805.22
2011-12	<u>2708.32</u>
Average net Profits	2579.68
2% of above	51.59



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Details of CSR Spent :

To actively contribute to the social and economic development of the society in which we operate, your company has spent ₹ 54.51 lacs during the financial year 2014-15.

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

(in ₹ Lacs)

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	- Providing food to poor people - Preventive Health Care - Sanitation & making available safe drinking water	(Cl. i of Sch. VII) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Phagwara (Pb.), Payal, Distt. Ludhiana (Pb.), Jammu & Kashmir, Hyderabad (A.P.)	15.00	14.56	14.56	Direct & through implementing agency
2.	- Promoting Education - Employment to differently abled	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.), Gidderbaha (Pb.)	30.00	30.09	30.09	Direct & through implementing agency
3.	Old age homes	(Cl. iii of Sch. VII) Promoting gender inequality, empowering women, setting up of hostels for women & orphans, Setting up old age homes etc.	VPO Virk, Distt Jalandhar (Pb.),	3.50	3.12	3.12	Through Implementing agency



ANNEXURE 'D' TO THE DIRECTORS' REPORT

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4.	- Ensuring Environmental sustainability - Animal Welfare	(Cl. iv of Sch. VII) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air and water.	Phagwara (Pb.) Distt. Kutch, (Gujrat)	6.00	5.22	5.22	Direct & through implementing agency
5.	- Infrastructure Development	(Cl. x of Sch. VII) Rural development projects	Phagwara (Pb.), Village Borgam Distt. Nizamabad (Telangana)	2.00	1.52	1.52	Direct
TOTAL				56.50	54.51	54.51	

We hereby confirm that the implementation and monitoring of CSR policy, is in compliance with CSR objectives & policy of the company and also comply the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

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

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

as on financial year ended on 31.03.2015

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

S.No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	The Vijoy Steel and General Mills Co. Ltd.	U19113PB1945PLC001956	SUBSIDIARY	96.17	SEC 4(1)(b)
2	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 (01.04.2014)				No. of Shares held at the end of the year (31.03.2015)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individual/HUF	41,50,322	-	41,50,322	56.24	41,56,782	-	41,56,782	56.32	6,460	0.08
b) Central Govt. or State Govt.										
c) Bodies Corporates	2,087	-	2,087	0.03	2,087	-	2,087	0.03	-	-
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	41,52,409	-	41,52,409	56.27	41,58,869	-	41,58,869	56.35	6,460	0.08
(2) Foreign										
a) NRI- Individuals	2,90,706	-	2,90,706	3.94	2,90,706	-	2,90,706	3.94	-	-
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	2,90,706	-	2,90,706	3.94	2,90,706	-	2,90,706	3.94	-	-
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	44,43,115	-	44,43,115	60.21	44,49,575	-	44,49,575	60.29	6,460	0.08
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	28,314	-	28,314	0.38	28,314	-	28,314	0.38	-	-
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FII/S										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	28,314	-	28,314	0.38	28,314	-	28,314	0.38	-	-
(2) Non Institutions										
a) Bodies corporates										
i) Indian	2,33,188	1,152	234,340	3.18	190,310	632	190,942	2.59	(43,398)	(0.59)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	10,80,014	6,89,620	17,69,634	23.98	11,33,106	6,92,259	18,25,365	24.73	55,731	0.75
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	6,12,128	2,01,214	8,13,342	11.02	6,85,017	1,20,858	8,05,875	10.92	(7,467)	(0.10)
c) Others (specify)	90,515	560	91,075	1.23	79,045	704	79,749	1.09	(11,326)	(0.14)
SUB TOTAL (B)(2):	20,15,845	8,92,546	29,08,391	39.41	20,87,478	8,14,453	29,01,931	39.33	(6,460)	(0.08)
Total Public Shareholding (B)= (B)(1)+(B)(2)	20,44,159	8,92,546	29,36,705	39.79	21,15,792	8,14,453	29,30,245	39.71	(6,460)	(0.08)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	64,87,274	8,92,546	73,79,820	100	65,65,367	8,14,453	73,79,820	100	-	(0)



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ROHIT GROVER	300	0	0	300	0.00	0	0.00
2	USHA MONGIA	700	0.01	0	700	0.01	0	0.00
3	DHIRAJ SARDANA	1400	0.02	0	1400	0.02	0	0.00
4	VEER PRATAP SARDANA	1532	0.02	0	1532	0.02	0	0.00
5	PADMINI MONGIA	1800	0.02	0	1800	0.02	0	0.00
6	NAVIN SARDANA	1908	0.03	0	1908	0.03	0	0.00
7	NIDHI SARDANA	1954	0.03	0	1954	0.03	0	0.00
8	NIKHIL SARDANA	2400	0.03	0	2400	0.03	0	0.00
9	KABIR SARDANA	2400	0.03	0	2400	0.03	0	0.00
10	UMA LOHTIA	2576	0.03	0	2576	0.03	0	0.00
11	RADHIKA MONGIA	2700	0.04	0	2700	0.04	0	0.00
12	UMA LOHTIA	3100	0.04	0	3100	0.04	0	0.00
13	PRABHA GROVER	3550	0.05	0	3550	0.05	0	0.00
14	DIVYA SARDANA	3578	0.05	0	3578	0.05	0	0.00
15	PRABHA GROVER	4500	0.06	0	4500	0.06	0	0.00
16	PRABHA GROVER	4500	0.06	0	4500	0.06	0	0.00
17	PRABHA GROVER	4500	0.06	0	4500	0.06	0	0.00
18	UDAY PRATAP SARDANA	4540	0.06	0	4540	0.06	0	0.00
19	UMA LOHTIA	5000	0.07	0	5000	0.07	0	0.00
20	PRABHA GROVER	5052	0.07	0	5052	0.07	0	0.00
21	DIPIKA SARDANA	5500	0.07	0	5500	0.07	0	0.00
22	SONA SARDANA	6469	0.09	0	6469	0.09	0	0.00
23	DIPTI SARDANA	6741	0.09	0	6741	0.09	0	0.00
24	AMITA MENON	7000	0.09	0	7000	0.09	0	0.00
25	NANDINI OBEROI	7366	0.1	0	7366	0.10	0	0.00
26	UMA LOHTIA	8052	0.11	0	8052	0.11	0	0.00
27	RADHIKA MONGIA	8700	0.12	0	8700	0.12	0	0.00
28	RANI SARDANA	9108	0.12	0	9108	0.12	0	0.00
29	UMA LOHTIA	10100	0.14	0	10100	0.14	0	0.00
30	PRABHA GROVER	10104	0.14	0	10104	0.14	0	0.00
31	SONIA MONGIA	10416	0.14	0	10416	0.14	0	0.00
32	PRABHA GROVER	10626	0.14	0	10626	0.14	0	0.00
33	KAMALA ANAND SARDANA	10788	0.15	0	10788	0.15	0	0.00
34	MANJOO SARDANA	11109	0.15	0	11109	0.15	0	0.00
35	PADMINI MONGIA	11176	0.15	0	11176	0.15	0	0.00
36	SHALINI CHABLANI	11240	0.15	0	11240	0.15	0	0.00
37	NALINI KALRA	11242	0.15	0	11242	0.15	0	0.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

38	NALINI KALRA .	12000	0.16	0	12000	0.16	0	0.00
39	UMA LOHTIA	13992	0.19	0	13992	0.19	0	0.00
40	SHALINI UMESH CHABLANI	16000	0.22	0	16000	0.22	0	0.00
41	NARENDRA RAJINDER KHANNA	16300	0.22	0	11300	0.15	0	-0.06
42	SHALINI CHABLANI	16517	0.22	0	16517	0.22	0	0.00
43	MANJOO SARDANA	17200	0.23	0	17200	0.23	0	0.00
44	SUMAN SARDANA	17200	0.23	0	17200	0.23	0	0.00
45	SUMAN SARDANA	18200	0.25	0	18200	0.25	0	0.00
46	MANJOO SARDANA	18300	0.25	0	18300	0.25	0	0.00
47	USHA MONGIA	20412	0.28	0	20412	0.28	0	0.00
48	NALINI KALRA	20969	0.28	0	20969	0.28	0	0.00
49	ANAND KUMAR SARDANA	26620	0.36	0	26620	0.36	0	0.00
50	USHA MONGIA	27728	0.38	0	27728	0.38	0	0.00
51	VERINDER KUMAR SARDANA	32092	0.43	0	32092	0.43	0	0.00
52	SURENDRA NATH GADI	33000	0.45	0	33000	0.45	0	0.00
53	MEENAXI GADI	35000	0.47	0	35000	0.47	0	0.00
54	ASHOK SARDANA	42900	0.58	0	42900	0.58	0	0.00
55	SUMAN SARDANA	47220	0.64	0	47220	0.64	0	0.00
56	SUMAN SARDANA	53174	0.72	0	53174	0.72	0	0.00
57	RANI SARDANA	80688	1.09	0	80688	1.09	0	0.00
58	RANI SARDANA	84896	1.15	0	84896	1.15	0	0.00
59	MANJOO SARDANA	110772	1.5	0	110772	1.50	0	0.00
60	NANDINI KAUSHIK	114286	1.55	0	114286	1.55	0	0.00
61	NAVIN SARDANA	116278	1.58	0	76278	1.03	0	-0.54
62	INDER KRISHAN SARDANA (HUF)	127930	1.73	0	127930	1.73	0	0.00
63	KULDIP KRISHAN SARDANA	135084	1.83	0	135084	1.83	0	0.00
64	KULDIP KRISHAN SARDANA (HUF)	142383	1.93	0	142383	1.93	0	0.00
65	INDER KRISHAN SARDANA	196410	2.66	0	196410	2.66	0	0.00
66	INDER KRISHAN SARDANA	323736	4.39	0	338486	4.59	0	0.20
67	PANKAJ SARDANA	392958	5.32	0	402958	5.46	0	0.14
68	PUNEET SARDANA	399198	5.41	0	403158	5.46	0	0.05
69	DHIRAJ SARDANA	405443	5.49	0	405443	5.49	0	0.00
70	KULDIP KRISHAN SARDANA	409475	5.55	0	432225	5.86	0	0.31
71	BHAVDEEP SARDANA	412234	5.59	0	412234	5.59	0	0.00
		4150322	56.24		4156782	56.34	0	0.08
BODIES CORPORATES								
1	SUKHMANI VENTURES							
	PRIVATE LIMITED	2087	0.03	0	2087	0.03	0	0.00
		2087	0.03		2087	0.03	0	0.00
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	5000	0.07	0	5000	0.07	0	0.00
2	ROHINI SARDANA	33548	0.45	0	33548	0.45	0	0.00
3	RAVI CHOWDHRY	252158	3.42	0	252158	3.42	0	0.00
		290706	3.94	0	290706	3.94	0	0.00
	Total	4443115	60.21		4449575	60.29	0	0.08



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 (01.04.2014) /End of year (31.03.2015)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Inder Krishan Sardana	520146	7.05	01.04.2014				
				01.04.2014	2500	Transfer	522646	7.08
				16.10.2014	5000	Transfer	527646	7.15
				18.12.2014	5000	Transfer	532646	7.22
				07.01.2015	2250	Transfer	534896	7.24
				534896	7.24	31.03.2015		534896
2	Kuldip Krishan Sardana	544559	7.38	01.04.2014				
				16.10.2014	5000	Transfer	549559	7.45
				05.11.2014	2500	Transfer	552059	7.48
				19.11.2014	2500	Transfer	554559	7.51
				03.12.2014	5000	Transfer	559559	7.58
				18.12.2014	5000	Transfer	564559	7.65
				07.01.2015	2750	Transfer	567309	7.68
				567309	7.68	31.03.2015		567309
3	Pankaj Sardana	392958	5.32	01.04.2014				
				05.11.2014	2500	Transfer	395458	5.36
				19.11.2014	2500	Transfer	397958	5.39
				03.12.2014	5000	Transfer	402958	5.46
		402958	5.46	31.03.2015		402958	5.46	
4	Puneet Sardana	399198	5.41	01.04.2014				
				01.04.2014	2860	Transfer	402058	5.45
				27.03.2015	1100	Transfer	403158	5.46
				403158	5.46	31.03.2015		403158
5	Narendra Rajinder Khanna	16300	0.22	01.04.2014				
				05.11.2014	-5000	transfer	11300	0.15
				11300	0.15	31.03.2015		11300
6	Navin Sardana	116278	1.58	01.04.2014				
				16.10.2014	-5000	Transfer	111278	1.51
				03.11.2014	-5000	Transfer	106278	1.44
				19.11.2014	-5000	Transfer	101278	1.37
				03.12.2014	-10000	Transfer	91278	1.24
				18.12.2014	-10000	Transfer	81278	1.10
				07.01.2015	-5000	Transfer	76278	1.03
		76278	1.03	31.03.2015		76278	1.03	

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2014) / End of year (31.03.2015)		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	112520	1.52	01.04.2014				
					NIL	No Change		
		112520	1.52	31.03.2015			112520	1.52
2	Satish Kumar	74632	1.01	01.04.2014				
				11.07.2014	-1078	Transfer	73554	1.00
				18.07.2014	-1000	Transfer	72554	0.98
				25.07.2014	-100	Transfer	72454	0.98
				01.08.2014	-2000	Transfer	70454	0.95
				22.08.2014	-264	Transfer	70190	0.95
				29.08.2014	-1000	Transfer	69190	0.94
				05.09.2014	-949	Transfer	68241	0.92
				12.09.2014	-19750	Transfer	48491	0.66
				27.02.2015	11509	Transfer	60000	0.81
				20.03.2015	5673	Transfer	65673	0.89
		65673	0.89	31.03.2015			65673	0.89
3	Jas Jewellery Pvt. Ltd.	95835	1.30	01.04.2014				
				04.04.2014	-4275	Transfer	91560	1.24
				25.07.2014	-2029	Transfer	89531	1.21
				01.08.2014	-5673	Transfer	83858	1.14
				08.08.2014	-5334	Transfer	78524	1.06
				15.08.2014	-411	Transfer	78113	1.06
				22.08.2014	-11863	Transfer	66250	0.90
				29.08.2014	-10133	Transfer	56117	0.76
				05.09.2014	-1000	Transfer	55117	0.75
				12.09.2014	-5500	Transfer	49617	0.67
				19.09.2014	-4000	Transfer	45617	0.62
				30.09.2014	-2000	Transfer	43617	0.59
				10.10.2014	-200	Transfer	43417	0.59
				17.10.2014	-214	Transfer	43203	0.59
				24.10.2014	-2000	Transfer	41203	0.56
		31.10.2014	-306	Transfer	40897	0.55		
		12.12.2014	-2000	Transfer	38897	0.53		
		23.01.2015	-2000	Transfer	36897	0.50		
		36897	0.50	31.03.2015			36897	0.50
4	Vikas Gupta	0	-	01.04.2014				
				11.04.2014	28820	Transfer	28820	0.39
		28820	0.39	31.03.2015			28820	0.39
5	Saroj Manaktala	26806	0.36	01.04.2014				
					NIL	No Change		
		26806	0.36	31.03.2015			26806	0.36
6	Trilok Nath Sindhwani	28758	0.39	01.04.2014				
				30.05.2014	-558	Transfer	28200	0.38
				13.06.2014	-100	Transfer	28100	0.38



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promotors	Shareholding at the beginning of the year (01.04.2014) /End of year (31.03.2015)		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
				20.06.2014	-300	Transfer	27800	0.38
				30.06.2014	-200	Transfer	27600	0.37
				04.07.2014	-350	Transfer	27250	0.37
				11.07.2014	-50	Transfer	27200	0.37
				18.07.2014	-50	Transfer	27150	0.37
				01.08.2014	-100	Transfer	27050	0.37
				29.08.2014	-21	Transfer	27029	0.37
				05.09.2014	-29	Transfer	27000	0.37
				12.09.2014	-150	Transfer	26850	0.36
				30.09.2014	-10	Transfer	26840	0.36
				31.10.2014	-40	Transfer	26800	0.36
		26800	0.36	31.03.2015			26800	0.36
7	Ajay Kumar Poddar	3430	0.05	01.04.2014				
				04.04.2014	4234	Transfer	7664	0.10
				11.04.2014	1163	Transfer	8827	0.12
				18.04.2014	-284	Transfer	8543	0.12
				06.06.2014	1629	Transfer	10172	0.14
				13.06.2014	6083	Transfer	16255	0.22
				20.06.2014	-663	Transfer	15592	0.21
				29.08.2014	9855	Transfer	25447	0.34
				05.09.2014	600	Transfer	26047	0.35
				19.12.2014	-17300	Transfer	8747	0.12
				20.02.2015	-196	Transfer	8551	0.12
				06.03.2015	-1054	Transfer	7497	0.10
				27.03.2015	15000	Transfer	22497	0.30
		22497	0.30	31.03.2015			22497	0.30
8	Anjali Khosla	17600	0.24	01.04.2014				
				18.04.2014	2400	Transfer	20000	0.27
				06.06.2014	2000	Transfer	22000	0.30
		22000	0.30	31.03.2015			22000	0.30
9	Rajendra Kumari	21600	0.29	01.04.2014				
					NIL	No Change		
		21600	0.29	31.03.2015			21600	0.29
10	Seetha Kumari	0	-	01.04.2014				
				30.05.2014	140	Transfer	140	0.00
				06.06.2014	5758	Transfer	5898	0.08
				13.06.2014	-5793	Transfer	105	0.00
				20.06.2014	-105	Transfer	0	-
				08.08.2014	5136	Transfer	5136	0.07
				15.08.2014	1554	Transfer	6690	0.09
				22.08.2014	1065	Transfer	7755	0.11
				05.09.2014	3960	Transfer	11715	0.16
				27.02.2015	2143	Transfer	13858	0.19
				06.03.2015	4268	Transfer	18126	0.25
				13.03.2015	854	Transfer	18980	0.26
				06.03.2015	143	Transfer	19123	0.26
				27.03.2015	1889	Transfer	21012	0.28
		21012	0.28	31.03.2015			21012	0.28



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 (01.04.2014) /End of year (31.03.2015)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Inder Krishan Sardana (Managing Director)	520146	7.05	01.04.2014				
				01.04.2014	2500	Transfer	522646	7.08
				16.10.2014	5000	Transfer	527646	7.15
				18.12.2014	5000	Transfer	532646	7.22
				07.01.2015	2250	Transfer	534896	7.24
				534896	7.24	31.03.2015		534896
2	Kuldip Krishan Sardana (Joint Managing Director)	544559	7.38	01.04.2014				
				16.10.2014	5000	Transfer	549559	7.45
				05.11.2014	2500	Transfer	552059	7.48
				19.11.2014	2500	Transfer	554559	7.51
				03.12.2014	5000	Transfer	559559	7.58
				18.12.2014	5000	Transfer	564559	7.65
				07.01.2015	2750	Transfer	567309	7.68
		567309	7.68	31.03.2015		567309	7.68	
3	Ravi Chowdhry (Women Director)	252158	3.42	01.04.2014				
					NIL	No Change		
		252158	3.42	31.03.2015			252158	3.42
4	V. K. Sardana (Director)	32092	0.43	01.04.2014				
					NIL	No Change		
		32092	0.43	31.03.2015			32092	0.43
5	S. C. Jindal (Director)	35220	0.48	01.04.2014				
					NIL	No Change		
		35220	0.48	31.03.2015			35220	0.48
6	Naresh Sardana (Director)	5000	0.07	01.04.2014				
					NIL	No Change		
		5000	0.07	31.03.2015			5000	0.07
7	V. P. Kapahi (Director)	1000	0.01	01.04.2014				
					NIL	No Change		
		1000	0.01	31.03.2015			1000	0.01
8	S. K. Anand (Director)	1002	0.01	01.04.2014				
					NIL	No Change		
		1002	0.01	31.03.2015			1002	0.01
9	M G Sharma (Sr. Vice President & CFO)	60	0.00	01.04.2014				
					NIL	No Change		
		60	0.00	31.03.2015			60	0.00
10	Aman Setia (Vice President Finance & Company Secretary)	-	-	01.04.2014				
					NIL	No Change		
		0	-	31.03.2015			0	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

IX. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits Indebtedness	Total
Indebtness at the beginning of the financial year				
i) Principal Amount	10,908.60	2,500.00	3,131.98	16,540.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	218.19	218.19
Total (i+ii+iii)	10,908.60	2,500.00	3,350.17	16,758.77
Change in Indebtedness during the financial year				
Additions	-	-	215.78	
Reduction	661.28	666.67	-	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	10247.32	1833.33	3336.55	15,417.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	229.40	229.40
Total (i+ii+iii)	10247.32	1833.33	3565.95	15646.6

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross Salary	Sh. I.K. Sardana	Sh. K.K. Sardana	Sh. S.M. Jindal*	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	60.72	59.40	46.68	166.80
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	15.40	9.77	3.64	28.81
2	Commission (as % of profit)	17.41	17.41	15.96	50.78
3	Others (Retirement Benefits)	4.91	4.80	3.78	13.49
	Total (A)	98.44	91.38	70.06	259.88
	Ceiling as per the Act				348.45

(*) Remuneration to Sh. S.M. Jindal (Executive Director) has been given for 11 months as he resigned from the Directorship in March, 2015.



ANNEXURE 'E' TO THE DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS :

S.No	Particulars of Remuneration	Name of the Directors				Total Amount
1	Independent Directors	Sh. S.C. Jindal	Sh. S.C. Anand	Sh. V.P. Kapahi		
	(a) Fee for attending board committee meetings	0.25	0.52	0.52		1.29
	(b) Commission	5.81	5.81	5.81		17.42
	Total (1)	6.06	6.33	6.33		18.71
2	Other Non Executive Directors	Sh. V.K. Sardana	Sh. A.K. Sardana*	Sh. Naresh Sardana	Smt. Ravi Chowdhry*	
	(a) Fee for attending board committee meetings	0.43	0.25	0.25	0.00	0.93
	(b) Commission (as % of profit)	5.81	4.83	5.81	0.97	17.41
	Total (2)	6.24	5.08	6.06	0.97	18.34
	Total (B)=(1+2)	12.29	11.41	12.38	0.97	37.05
	Total Managerial Remuneration excl. Sitting fees					34.83
	Overall Ceiling as per the Act.					34.83

*Sh. A.K. Sardana retires from directship during the year and Smt. Ravi Chowdhry has been appointed as Director during the year.

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

S.No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CFO	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	20.90	11.64	32.54
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.96	0.00	0.96
2	Others (Retirement Benefits)	1.58	1.69	3.27
	Total	23.44	13.33	36.77

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

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sukhjit Starch and Chemicals Limited.

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462; C. P. No.: 1947
Place: Jalandhar
Dated: May 18, 2015



ANNEXURE 'F' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

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

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

Based on our verification of the Sukhjit Starch and Chemicals Limited' s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

The following regulations and Guidelines of SEBI are not applicable to the company as no such event took place in the Company:

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



ANNEXURE 'F' TO THE DIRECTORS' REPORT

- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (vi) Other Laws including Food Safety and Standards Act, 2006 applicable to the Company as per the representations given by the Company.

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

- (i) Secretarial Standards with respect to board and general meetings of The Institute of Company Secretaries of India are not in force as on the date of this report and;
- (ii) The Listing Agreement entered into by the Company with BSE Limited, Mumbai.

During the period under review and as per the representations and clarifications made, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

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

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

Decisions of the Board Meetings, as represented by the management, were taken unanimously.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, during the period under review there was a complete dis-investment of the shares of Sukhjit Finance Limited, which was its subsidiary Company during the last year.

For Dinesh Gupta & Co.
Company Secretaries

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

Place: Jalandhar
Dated: May 18, 2015



DECLARATION BY THE MANAGING DIRECTOR

To
The Shareholders,
The Sukhjit Starch & Chemicals Ltd.,

Declaration by the Managing Director
under Clause 49 of the Listing Agreement

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

I, I.K. Sardana, Managing Director of The Sukhjit Starch & Chemicals Ltd. declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2015.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

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

Place : Phagwara
Dated : 20th May, 2015

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES IN INDIA.

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, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2015, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Investor Services Committee.

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

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
(Y.K. SUD)
B.Com., F.C.A.
Prop.
Memb. No. 16875

Place : Jalandhar.
Dated : 20th May, 2015



MANAGING DIRECTOR/CFO CERTIFICATE UNDER CLAUSE 49 (IX)

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, 2015 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.

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

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

Place : Phagwara.

Dated : 20th May, 2015



INDEPENDENT AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Ltd. as at 31st March, 2015, which comprises the Balance Sheet, the Profit and Loss Account, the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

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

AUDITORS' RESPONSIBILITY :

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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

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



INDEPENDENT AUDITORS' REPORT

OPINION :

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

- (i) In case of balance sheet, of the state of the affairs of the company as at 31st March 2015.
- (ii) In case of profit and loss Accounts, of the profit of the company for the year ended on that date.
- (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2015 issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclosed in Annexure statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 20th May, 2015



INDEPENDENT AUDITORS' REPORT

ANNEXURE 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 2015, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
2. (a) In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(b) The Company has neither granted nor taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.

(c) Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
3. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw material including components, plant & machinery, equipments and other assets, and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
4. 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 the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
5. The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.



INDEPENDENT AUDITORS' REPORT

6. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (b) The Company has a disputed Central Excise liability of ₹ 24.16 crores (not provided in the accounts), which mainly include ₹ 22.93 crores against sale of Maize Starch since 01.04.1997. The company has explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account.
- The other major item concerns a demand of ₹ 1.19 Crores on exempted goods and the case is pending before The Commissioner, Central Excise.
- (c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules there under has been transferred to such fund within time.
7. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
8. The Company has not defaulted in repayment of dues to the financial institutions, banks or debenture holders (if any) during the year.
9. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
10. The term loans have been applied for the purpose for which they were obtained.
11. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 20th May, 2015



BALANCE SHEET AS ON 31ST MARCH, 2015

	NOTE	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	<u>19,322.53</u>	<u>17,389.45</u>
		20060.51	18,127.43
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	6,283.89	7,231.07
(b) Deferred Tax Liability (Net)	4	<u>1957.37</u>	<u>1,521.78</u>
		8241.26	8,752.85
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	5	8,880.65	8,921.20
(b) Trade Payables	6	2,405.36	2,433.97
(c) Other Current Liabilities	7	1,764.31	1,907.19
(d) Short Term Provisions	8	<u>442.77</u>	<u>302.19</u>
		13493.09	13,564.55
		41794.86	40,444.83
TOTAL			
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	9		
(i) Tangible		21,760.12	19,828.36
(ii) Intangible		6.46	7.43
(iii) Capital work in progress	10	<u>524.06</u>	<u>1,041.27</u>
		<u>22,290.64</u>	<u>20,877.06</u>
(b) Non Current Investments	11	576.19	974.94
(c) Long Term Loans & Advances	12	136.70	151.70
(d) Other Non Current Assets	13	<u>196.93</u>	<u>272.59</u>
		23200.46	22,276.29
2. CURRENT ASSETS			
(a) Current Investments	14	828.08	1,077.08
(b) Inventories	15	7,921.70	9,245.43
(c) Trade Receivables	16	5,527.71	5,205.43
(d) Cash & Cash Equivalents	17	2,063.20	884.01
(e) Short Term Loans & Advances	18	2,034.62	1,610.15
(f) Other Current Assets	19	<u>219.09</u>	<u>146.44</u>
		18,594.40	18,168.54
		41,794.86	40,444.83
TOTAL			

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)	FOR THE YEAR ENDED 31.3.2014 (₹ LACS)
1. Revenue From Operations	20	53,244.69	50,741.20
2. Other Income	21	172.80	149.85
3. Total Revenue		<u>53,417.49</u>	<u>50,891.05</u>
4. Expenses :			
Cost of Materials Consumed	22	34,267.12	34,553.64
Change in Inventories of Finished Goods & Work in Progress	23	116.13	(344.27)
Employee Benefits Expense	24	2,948.20	2,545.90
Financial Costs	25	1,777.40	1,664.65
Depreciation and Amortisation Exp.	9	1,329.13	1,227.02
Other Expenses	26	9,531.04	8,978.31
Total Expenses		<u>49,969.02</u>	<u>48,625.24</u>
5. Profit Before Tax (3-4)		3,448.47	2,265.81
6. Tax Expense :			
- Current Tax	670.00		220.00
- Deferred Tax	450.00		410.00
- Taxes Relating to Previous Yrs.	8.01		31.78
		<u>1,128.01</u>	<u>661.78</u>
7. Profit for the year		2,320.46	1,604.03
8. Earning per equity share :			
(a) Basic		31.44	21.74
(b) Diluted		31.44	21.74
(c) Face Value Per Share (₹)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	3,448.47	2,265.81
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,329.13	1,227.02
Provision for Doubtful Debts	14.73	7.54
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(183.47)	(83.53)
Interest paid	1,735.22	1,605.59
(Profit) Loss on sale of investments/assets	33.86	(41.76)
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	6377.93	4,980.67
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(828.62)	13.66
Inventories	1,323.73	(904.53)
Trade Payables	(28.62)	69.34
Other Liabilities	22.67	23.92
NET FLOWS FROM OPERATING ACTIVITIES	6,867.09	4,183.06
Net Direct Taxes Paid	(608.05)	(763.80)
NET FLOWS FROM OPERATING ACTIVITIES	6,259.05	3,419.26
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,868.43)	(2,759.22)
Sale of Fixed Assets	13.45	160.91
Other Investments	782.14	10.22
Interest received	183.47	83.53
NET FLOWS FROM INVESTING ACTIVITIES	(1,889.37)	(2,504.56)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	(40.54)	1,738.07
Term Loans raised	-	1,000.00
Repayment of Term Loan	(1,500.00)	(1,350.10)
Other Loans raised	390.22	279.83
Dividends paid	(304.95)	(423.63)
Interest paid	(1,735.22)	(1,605.59)
NET FLOWS FROM FINANCING ACTIVITIES	(3,190.49)	(361.42)
Net Cash Flows during the year	1,179.19	553.28
Cash & cash equivalents at the beginning of the year	884.01	330.73
Cash & cash equivalents at the end of the year	2,063.20	884.01

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPPAHI



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2015		As on 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,34,896	7.24	5,20,146	7.05
Sh. Kuldeep Krishan Sardana	5,67,309	7.68	5,44,559	7.38
Sh. Dhiraj Sardana	4,06,843	5.51	4,06,843	5.51
Sh. Bhavdeep Sardana	4,12,234	5.59	4,12,234	5.59
Sh. Puneet Sardana	4,03,158	5.46	3,99,198	5.41
Sh. Pankaj Sardana	4,02,958	5.46	3,92,958	5.32

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy : 417.67 298.29

SECURITIES PREMIUM RESERVE

87.14 87.14

GENERAL RESERVE

As per Last Balance Sheet 15,961.18 14,461.18

Less Transfer from Fixed Assets (63.99) -

Add : Transferred from Profit & Loss Account 2,000.00 1,500.00

17,897.19 **15,961.18**

PROFIT & LOSS ACCOUNT

As per last Balance Sheet 1,042.84 1,241.00

Add : Profit for the year 2,320.46 1,604.03

3,363.30 2,845.03

Less : Appropriations :

(a) Final Dividend (Proposed) 368.99 258.29

(b) Corporate tax on dividend 73.78 43.90

(c) Transferred to General Reserve 2,500.00 1,500.00

Surplus Carried Forward 920.53 1,042.84

19,322.53 **17,389.45**



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED :		
Term Loan(s) from Bank(s)	-	637.40
(i) Secured against hypothecation of Plant & Machinery, Building, other fixed assets and Equitable Mortgage of Building & lease hold rights of Factory Land of Malda unit (The Term Loan is repayable in sixteen equal quarterly installments. First Installment from March, 2012)	-	500.00
(ii) Secured against hypothecation of Plant & Machinery & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twelve equal quarterly installments. First Installment from May, 2013)	-	500.00
(iii) Secured against extended charge on Plant and Machinery & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twenty equal quarterly installments. First Installment from July, 2014)	650.00	850.00
UNSECURED :		
Fixed Deposits (include ₹ 3,45,42,000/- from Directors, previous year ₹ 4,90,59,000/-) (Maturity period ranging from 1 to 3 years)	4,536.55	4,131.98
Security Deposits	125.85	116.50
Other Long Term Liabilities	971.49	995.19
	<u>6,283.89</u>	<u>7,231.07</u>
4. DEFERRED TAX LIABILITY (NET)		
As per last Balance Sheet	1,521.78	1,111.78
Less : Transfer from Fixed Assets	(14.41)	-
Add : Provision for the year on account of timing difference arising on depreciation as per the Income Tax Act & the Companies Act and on account of other provisions	450.00	410.00
	<u>1,957.37</u>	<u>1,521.78</u>
5. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit limits from Bank(s)		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	6,872.63	5,434.66
(ii) Secured against Book Debts	1,374.69	1,986.54
UNSECURED :		
Short Term Borrowings from Bank(s)	633.33	1,500.00
	<u>8,880.65</u>	<u>8,921.20</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
6. TRADE PAYABLES		
Sundry creditors for goods supplied		
(i) Micro, Small & Medium Enterprises (*)	20.73	33.10
(ii) Others	1,142.83	1,410.13
Sundry Creditors for Expenses	869.35	688.34
Other Creditors (**)	372.45	302.40
	<u>2,405.36</u>	<u>2,433.97</u>
<p>(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. year NIL)</p> <p>(**) Include ₹ 246.52 lacs (Prev. Year ₹ 229.71 lacs) as advances from Sundry Customers for supply of Goods.</p>		
7. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	1,337.21	1,500.00
Unclaimed Dividends	70.12	72.88
Taxes payable	127.58	116.12
Interest accrued but not due on Fixed Deposits	229.40	218.19
	<u>1,764.31</u>	<u>1,907.19</u>
8. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	258.29
Corporate Tax on Dividend	73.78	43.90
	<u>442.77</u>	<u>302.19</u>
10. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	278.57	116.00
Machinery under Errection	241.82	907.81
Furniture / Fixture under Construction	3.67	2.41
Electric Installation under Errection	-	15.05
	<u>524.06</u>	<u>1,041.27</u>
11. NON CURRENT INVESTMENTS		
Membership (Investment) – The Country Club (At Cost)	0.65	0.65
UNQUOTED FULLY PAID (AT COST)		
SUBSIDIARIES :		
(i) The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value ₹ 10/- each	20.90	20.90
(ii) Sukhjit Finance Limited 4622100 Shares (Prev. Year 4622100 shares) of face value ₹ 10/- each	-	263.31
(iii) Scott Industries Limited 4400000 Shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	<u>460.90</u>	<u>724.21</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
INVESTMENT IN GOVT. SECURITIES - UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN DEBENTURES / UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
(i) Tata Capital Ltd. 100.00 20 Non-Convertible Secured Debentures (Prev. Year 20 deb.) of Face Value of ₹ 500000/- per debenture	100.00	100.00
(ii) HDFC Yearly Fixed Maturity Plan (370 days) 1500000 units (Pre. Year Nil) of Face Value ₹ 10/- per unit	-	150.00
	<u>100.00</u>	<u>250.00</u>
	<u>576.19</u>	<u>974.94</u>

Aggregate Amount of Unquoted Investments - ₹ 476.19 lacs (P.Y. ₹ 724.94 lacs)

Aggregate Amount of Quoted Investments - ₹ 100 lacs (P.Y. ₹ 250 lacs)

Market Value of Quoted Investments - ₹ 101.00 lacs (P.Y. ₹ 261.37 lacs)

12. LONG TERM LOANS & ADVANCES

Unsecured - Considered Good		
Advances against Purchase of Property	136.70	151.70
	<u>136.70</u>	<u>151.70</u>

13. OTHER NON CURRENT ASSETS

Unsecured - Considered Good		
Security/Other Deposits	196.93	272.59
	<u>196.93</u>	<u>272.59</u>

14. CURRENT INVESTMENTS

INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES UNQUOTED (AT COST) :		
(i) NIFG Canara Robeco Infrastructure Growth Fund - Nil units (Prev. Year 93095.4228 units) of Face value of ₹ 10/- per unit	-	24.00
(ii) Reliance Short Term Fund 100.00 403997.964 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(iii) Reliance Dynamic Bond Fund - Nil units (Prev. Year 305939.510 units) of Face value of ₹ 10/- per unit	-	50.00



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
(iv) UTI Bond Fund	-	300.00
Nil units (Prev. Year 820533.425 units) of Face value of ₹ 10/- per unit		
(v) Reliance Regular Saving Fund	100.00	-
554502.002 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit		
(vi) JP Morgan Indian Government Securities Fund	100.00	-
881710.855 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit		
(vii) UTI Short Term Income Fund	100.00	-
627273.868 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit		
(viii) HDFC Prudence Fund	-	75.00
Nil units (Prev. Year 36107.630 units) of Face value of ₹ 10/- per unit		
(ix) UTI Floating Rate Fund	100.00	100.00
4632.076 units (Prev. Year 4831.258 units) of Face value of ₹ 10/- per unit		
	<u>500.00</u>	<u>549.00</u>
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES QUOTED (AT COST) :		
(i) National Highway Authority of India	24.72	24.72
2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond		
(ii) HDFC Yearly Fixed Maturity Plan	-	100.00
Nil units (Prev. Year 1000000 units) of Face value ₹ 10/- per unit (Prev. Year classified under Non current investments)		
(iii) UTI Yearly Fixed Maturity Plan	-	100.00
Nil units (Prev. Year 1000000 units) of Face value ₹ 10/- per unit (Prev. Year classified under Non current investments)		
(iv) Tata Power Co. Ltd.	303.36	303.36
30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture		
	<u>328.08</u>	<u>528.08</u>
	<u>828.08</u>	<u>1,077.08</u>

Aggregate Amount of Unquoted Investments - ₹ 500 lacs (P.Y. ₹ 549 lacs)

Aggregate Amount of Quoted Investments - ₹ 328.08 lacs (P.Y. ₹ 528.08 lacs)

Market Value of Quoted Investments - ₹ 344.70 lacs (P.Y. ₹ 564.27 lacs)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
15. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	4,315.45	5,274.63
Stock in Process (at cost or net realisable value whichever is lower)	621.19	823.36
Finished Goods (at cost or net realisable value whichever is lower and By Products at net realisable value)	1,247.86	1,161.82
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,719.89	1,971.36
Loose Tools (at cost or net realisable value whichever is lower)	17.31	14.26
	<u>7,921.70</u>	<u>9,245.43</u>
16. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	147.74	126.52
Considered Doubtful	73.63	37.68
	<u>221.37</u>	<u>164.20</u>
Less : Provision for Doubtful debts	36.11	21.38
	<u>185.26</u>	<u>142.82</u>
Others Considered Good	5,342.45	5,062.61
	<u>5,527.71</u>	<u>5,205.43</u>
17. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	30.80	22.36
Current Accounts (*)	383.48	225.31
Fixed Deposit Accounts (**)	1,648.92	636.34
	<u>2,032.40</u>	<u>861.65</u>
	<u>2,063.20</u>	<u>884.01</u>
<p>(*) Include Balances of ₹ 62.58 lacs (P.Y. ₹ 65.30 lacs) in the Unclaimed/ Unpaid Dividend Accounts. (**) (i) Include deposits of ₹ 35.09 lacs (P.Y. ₹ 36.34 lacs) held as margin money / security against LCs / Bank gaurantees (ii) ₹ 33.62 lacs (P.Y. ₹ 24.51 lacs) with the maturity of more than one year.</p>		
18. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	471.84	153.55
Advances against Capital Goods	210.03	55.53
Advances to Subsidiaries	293.83	293.30
Other Advances	111.62	91.76
Income Tax in advance(**)	2,177.30	2,121.01
Less : Provision for Tax	<u>(1,230.00)</u>	<u>(1,105.00)</u>
	<u>947.30</u>	<u>1,016.01</u>
	<u>2,034.62</u>	<u>1,610.15</u>
<p>(*) Include ₹ 21.49 lacs (P.Y. ₹ 30.23 lacs) as Unutilised Cenvat on Capital Goods & ₹ 153 lacs (P.Y. ₹ 74.19 lacs) as Advances to Sundry Suppliers for purchase of materials. (**) Includes MAT</p>		



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
19. OTHER CURRENT ASSETS		
Prepaid Expenses	54.57	51.86
Interest & Other recoverables	164.52	94.58
	<u>219.09</u>	<u>146.44</u>
20. REVENUE FROM OPERATIONS		
(i) Sales :		
Starches	17,760.51	16,227.09
Dextrines & Textilose	2,419.98	2,388.61
Glucose	20,267.91	20,686.13
Sorbitol	3,968.90	3,832.96
By-products	11,303.87	9,912.44
Misc. Sales	402.45	458.82
	<u>56,123.62</u>	<u>53,506.05</u>
(ii) Less : Excise Duty	2,878.93	2,764.85
Net Sales (i-ii)	<u>53,244.69</u>	<u>50,741.20</u>
21. OTHER INCOME		
Interest Received	183.47	83.53
Profit on Sale of Assets/Units	(33.86)	41.76
Other Income (*)	23.19	24.56
	<u>172.80</u>	<u>149.85</u>
(*) Include Rent Received of ₹ 11.31 lacs (P.Y. ₹ 10.71 lacs) & Net Agriculture Income of ₹ 8.74 (P.Y. ₹ 5.76 lacs)		
22. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	5,274.63	4,735.89
Purchase of Basic Raw Material	30,096.35	32,120.11
35,370.98	<u>36,856.00</u>	
Less : Closing Stock of Basic Raw Material	4,315.45	5,274.63
Effective Consumption of Basic Raw Material	31,055.53	31,581.37
Other Raw Materials, Consumables & Stores	3,211.59	2,972.27
	<u>34,267.12</u>	<u>34,553.64</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,161.82	898.29
Opening Stock of Work in Progress	823.36	742.62
	1,985.18	1,640.91
Closing Stock of Finished Goods	1,247.86	1,161.82
Closing Stock of Work in Progress	621.19	823.36
	1,869.05	1,985.18
Change in Inventories	<u>116.13</u>	<u>(344.27)</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)	FOR THE YEAR ENDED 31.3.2014 (₹ LACS)
24. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	2,574.27	2,220.05
Cont. to PF, ESI, Superannuation & Other Funds	209.60	174.70
Workmen & Staff Welfare	164.33	151.15
	<u>2,948.20</u>	<u>2,545.90</u>

INFORMATION UNDER AS-15 "EMPLOYEE BENEFITS":

Defined Benefit Plan

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

(₹ lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2014-15	2013-14
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	508.00	421.03
(b) Current Service Cost	51.42	40.46
(c) Interest Cost	39.52	32.36
(d) Actuarial (Gain)/Loss	35.06	47.25
(e) Benefit Paid	(28.04)	(33.10)
(f) Present Value of Obligation as at the close of the year	605.96	508.00
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	524.56	448.75
(b) Expected Return on Plan Assets	41.96	40.39
(c) Actuarial (Gain)/Loss	3.15	(0.48)
(d) Actual Company Contribution	50.00	69.00
(e) Benefit Paid	(28.04)	(33.10)
(f) Fair Value of Plan Assets as at the close of the year	591.63	524.56
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	605.96	508.00
(b) Fair Value of Plan Assets	591.63	524.56
(c) Amount recognized in the Balance Sheet	14.33	16.56
D Expenses recognized during the year		
(a) Current Service Cost	51.42	40.46
(b) Interest Cost	39.52	32.36
(c) Expected Return on Plan Assets	(41.96)	(40.39)
(d) Actuarial (Gain)/Loss	35.06	47.73
(e) Net Cost	84.04	80.16
E Actuarial Assumptions		
(a) Discount Rate (per annum)	8.00%	8.00%
(b) Expected Rate of Return on Assets (per annum)	8.50%	8.50%
(c) Salary Escalation Rate	8.00%	8.00%



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

25. FINANCE COSTS

Interest Expense	1,735.22	1,605.59
Other Borrowings Costs/Bank Charges	42.18	59.06
	<u>1,777.40</u>	<u>1,664.65</u>

26. OTHER EXPENSES

MANUFACTURING EXPENSES :

Power and Fuel & Others	7,221.97	7,057.94
Machinery Repair	525.08	359.06
Building Repair	92.78	83.52
	<u>7,839.83</u>	<u>7,500.52</u>

ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :

Printing & Stationery	18.60	16.13
Professional/Legal Expenses	32.37	35.59
Directors' Fee	2.22	1.47
Travelling Expenses	161.47	152.62
Auditors' Remuneration	6.53	5.53
Rent Paid	24.92	25.47
Electricity & Water Charges	33.61	29.22
Entertainment	4.25	4.94
Postage, Telegram & Telephones	30.45	29.53
Advertisement	21.40	21.75
Subscription	25.50	16.87
General Charges	3.73	3.86
Insurance Expenses	45.02	45.69
Other Repairs & Maintenance	56.10	46.09
Commission & Brokerage	454.30	446.84
Provision for Doubtful debts	14.73	7.54
Other Govt. Taxes, Levies & Fees	36.56	29.98
Rebate & Discount	134.32	139.07
Directors' Commission	85.63	54.38
Charity & Donation	43.51	7.88
Carriage & Forwarding Charges	455.99	357.34
	<u>1,691.21</u>	<u>1,477.79</u>
	<u>9,531.04</u>	<u>8,978.31</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL	PREVIOUS YEAR
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE			
COST										
Cost as on 1.4.2014	2,458.08	5,782.52	211.21	17,520.34	785.52	298.22	21.15	27,077.03	24,042.17	
Additions	118.90	650.18	17.76	2,400.66	103.82	90.50	3.81	3,385.63	3,174.55	
Sale/Adjustments	--	--	--	39.27	2.21	24.64	--	66.12	139.68	
Total as on 31.3.2015	2,576.98	6,432.70	228.96	19,881.74	887.13	364.08	24.96	30,396.55	27,077.04	
DEPRECIATION										
Upto 31.3.2014	--	1,668.27	142.18	4,787.83	428.54	200.70	13.72	7,241.24	6,034.74	
For the Year	--	437.92	29.11	716.12	162.90	56.71	4.78	1,407.54 (*)	1,227.02	
On Sale/Adjustments	--	--	--	3.69	1.22	13.90	--	18.81	20.53	
Upto 31.3.2015	--	2,106.19	171.29	5,500.26	590.22	243.51	18.50	8,629.97	7,241.24	
NET VALUE										
As at 31.3.2015	2,576.98	4,326.51	57.67	14,381.48	296.91	120.57	6.46	21,766.58	19,835.80	
As at 31.3.2014	2,458.08	4,114.25	69.03	12,732.51	356.98	97.52	7.43	19,835.79		

(*) Includes Rs. 78.41 lacs on account of transfer from fixed assets as per Schedule II of the Companies Act, 2013



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
 - (i) **LCs / Bank Guarantees** issued for ₹ 294.64 lacs (Prev. Year ₹ 251.51 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Commissioner of Customs / Jt. Director of Foreign Trade for import of machinery under EPCG licence etc.
 - (ii) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 24.16 Crores. The amount mainly includes ₹22.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notice against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of ₹1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise. In other cases, for ₹ 0.06 crores, the decisions are in favour of the Company and the department is in appeal before the Tribunal.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 6.70 crores (Prev. year ₹ 5.50 crores)
 - (iv) Export obligation pending to be fulfilled is US\$ 8.61 lacs (Prev. year US\$ 0.21 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 7.21 lacs during the year under reference (Prev. Year US\$ 15.89 lacs).
3. National Saving Certificates of ₹ 0.08 lacs (Prev. year ₹ 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include ₹ 293.83 lacs (Prev. year ₹ 293.30 lacs) due from the subsidiary companies.
5. **Earnings per share :**

	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (₹ in Lacs)	2320.46	1604.02
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share ₹ 10/- each (₹) (a/b)	31.44	21.74
(d) Diluted earnings per share ₹ 10/- each (₹) (a/b)	31.44	21.74
6. **Related Party Disclosures :**
 - (a) List of related parties / Relationships :
 - SUBSIDIARY COMPANIES
 - (i) The Vijoy Steel & General Mills Co. Ltd. : Subsidiary
 - (ii) Scott Industries Ltd. : Subsidiary
 - KEY MANAGEMENT PERSONNEL
 - (i) Mr. I.K. Sardana
 - (ii) Mr. K.K. Sardana
 - (iii) Mr. S.M. Jindal
 - (iv) Mr. M.G. Sharma
 - (v) Mr. Aman Setia



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

(Amount ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			8.20 (7.00)	8.20 (7.00)
Remuneration		296.67 (264.36)	123.09 (97.70)	419.76 (329.70)
On account of sales	Nil (2.69)			Nil (2.69)
On account of Purchases	67.18 (93.38)			67.18 (93.38)
Rent received	0.06 (0.06)			0.06 (0.06)

	<u>2014-15</u> (₹ Lacs)	<u>2013-14</u> (₹ Lacs)
7. (a) Managerial Remuneration paid/payable to the Executive Directors :		
(i) Salaries	166.80	157.92
(ii) Commission	50.80	32.13
(iii) Contribution to retirement benefit funds	13.49	12.77
(iv) Perquisites	28.81	29.18

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

	<u>2014-15</u> (₹ Lacs)	<u>2013-14</u> (₹ Lacs)
Net Profit as per Profit & Loss Account	3448.47	2265.80
Add : Commission to Directors	85.63	54.38
Directors Sitting Fee	2.22	1.47
	<u>3536.32</u>	<u>2321.65</u>
Less : Profit on sale of Assets/Shares	33.86	41.76
Balance :	<u>3570.18</u>	<u>2279.89</u>
Commission @ 1% on Net Profits to Directors	34.83	22.24
Commission @ 1.5% on Net Profits (*) to Mg. Director, Jt. Mg. Director & Exe. Director	50.80	32.14
Net Profit (as per Section 198)	<u>3484.55</u>	<u>2225.51</u>

(*) Commission to Sh. S.M. Jindal (Executive Director) has been worked out for 11 months as he resigned from the Directorship in March, 2015.



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	2014-15 (₹ Lacs)	2013-14 (₹ Lacs)
8. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee	4.50	4.00
Tax Audit Fee	0.42	0.42
For Other Matters	-	-
Reimbursement of out of pocket expenses (*) Including service tax on Audit fee	1.61 *	1.11 *
9. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on a F.O.B. basis	438.68	936.56
10. VALUE OF IMPORTS ON A C.I.F. BASIS (excluding canalised items)		
(i) Components/Spare Parts/Consumables	31.19	17.00
(ii) Capital Goods	-	104.54
11. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency on Foreign Travelling	2.90	9.54
12. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION		
(i) Raw Materials :		
(a) Imported	-	-
(excluding canalised items)	-	-
(b) Indigenous	33,873.01	34,210.43
	(100%)	(100%)
(ii) Spare & Components :		
(a) Imported	23.56	33.63
	(5.98%)	(10.03%)
(b) Indigenous	370.54	301.75
	(94.02%)	(89.97%)

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets. As per the provisions of the Schedule II of the Companies Act, 2013, the written down value of fixed assets amounting to ₹ 78.41 lacs, whose lives expired as per the estimated useful life specified in the said schedule, have been adjusted in the opening balance of General Reserves during the year ended 31st March, 2015.

3. LEASES

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

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value amounting to ₹ 63.99 lacs of the fixed assets, net of tax (₹ 14.42 lacs), whose lives had expired as per the estimated useful life specified in the said schedule, as on 1st April 2014 have been adjusted, in the opening balance of General Reserves during the year ended 31st March, 2015.

Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

- (i) Short term employee benefits are charged to the profit & loss account of the year in which the employee renders services. These benefits include Annual leave encashment, Ex-gratia etc.
- (ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.



- (iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. Under a separate trust, and charged to the Profit and loss account of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis.

9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remaining unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or at the exchange rates prevailing at the end of the accounting year.

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

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

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

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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



INDEPENDENT AUDITORS' REPORT

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

We have audited the attached consolidated financial statements of The Sukhjit Starch & Chemicals Ltd. as at 31st March, 2015, which comprises the consolidated Balance Sheet, the consolidated Profit and Loss Account, the consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

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

OPINION

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



INDEPENDENT AUDITORS' REPORT

In case of consolidated balance sheet, of the consolidated state of the affairs of the company as at 31st March 2015.
In case of consolidated profit and loss Accounts, of the consolidated profit of the company for the year ended on that date.

In the case of consolidated cash flow statement of the consolidated cash flow for the year ended on that date.
We did not audit the financial statements of subsidiaries whose financial statements reflect total assets and total revenues as follows as on 31st March, 2015

Subsidiary Company	Total Assets (in Lacs)	Total Revenues (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	124.10	80.47
Scott Industries Ltd.	238.44	-

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21-Consolidated Financial statements issued by The Institute of Chartered Accountants of India 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.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 20th May, 2015

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	(Amt. in ₹ LACS)	
	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	440.14	23.06
Reserves & Surplus / (Accummulated Losses)	(413.93)	3.90
Total Assets	238.44	124.10
Total Liabilities	238.44	124.10
Investments	-	-
Revenue from Operations	-	80.47
Profit / (Loss) before taxation	(30.29)	1.59
Provision for taxation	-	(0.20)
Profit / (Loss) after taxation	(30.29)	1.39
Proposed Dividend (if any)	Nil	Nil



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2015

	NOTE	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	18,913.75	16,866.19
(c) Minority Interest		<u>1.04</u>	<u>9.02</u>
		19,652.77	17,613.19
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	6,283.89	7,180.78
(b) Deferred Tax Liability (Net)	4	1,955.01	1,519.23
(c) Long Term Provisions	5	<u>7.49</u>	<u>6.08</u>
		8,246.39	8,706.09
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	6	8,880.65	8,921.20
(b) Trade Payables	7	2,413.41	2,444.50
(c) Other Current Liabilities	8	1,764.31	1,904.87
(d) Short Term Provisions	9	<u>442.77</u>	<u>302.19</u>
		13,500.14	13,572.76
		41,400.30	39,892.04
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	10		
(i) Tangible		21,847.80	19,990.54
(ii) Intangible		<u>6.59</u>	<u>7.56</u>
		21,854.39	19,998.10
Less : Lease Equalisation		-	14.30
(iii) Capital work in progress	11	<u>524.06</u>	<u>1,041.26</u>
		22,378.45	21,025.06
(b) Non Current Investments	12	115.29	265.35
(c) Long Term Loans & Advances	13	136.70	155.38
(d) Other Non Current Assets	14	<u>200.55</u>	<u>276.20</u>
		22,830.99	21,721.99
2. CURRENT ASSETS			
(a) Current Investments	15	828.08	1,091.02
(b) Inventories	16	8,011.62	9,320.45
(c) Trade Receivables	17	5,692.77	5,392.33
(d) Cash & Cash Equivalents	18	2,069.53	894.86
(e) Short Term Loans & Advances	19	1,748.22	1,324.95
(f) Other Current Assets	20	<u>219.09</u>	<u>146.44</u>
		18,569.31	18,170.05
		41,400.30	39,892.04

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)	FOR THE YEAR ENDED 31.3.2014 (₹ LACS)
1. Revenue From Operations	21	53,313.50	50,836.73
2. Other Income	22	172.74	343.42
3. Total Revenue		<u>53,486.24</u>	<u>51,180.15</u>
4. Expenses :			
Cost of Materials Consumed	23	34,300.02	34,583.95
Change in Inventories of Finished Goods & Work in Progress	24	108.90	(330.94)
Employee Benefits Expense	25	2,983.73	2,580.92
Financial Costs	26	1,777.42	1,659.73
Depreciation and Amortisation Exp.	10	1,341.44	1,236.22
Other Expenses	27	9,554.94	9,116.77
Total Expenses		<u>50,066.45</u>	<u>48,846.65</u>
5. Profit Before Tax (3-4)		3,419.79	2,333.50
6. Provision for Taxation :			
- Current Tax	670.00		220.61
- Deferred Tax	450.20		496.16
- Taxes Relating to Previous Yrs.	<u>8.01</u>		<u>31.78</u>
		1,128.21	748.55
7. Profit after Tax		2,291.58	1,584.95
8. Add/(Less) Minority Interest		(0.06)	0.07
9. Profit for the year		2,291.52	1,585.02
10. Earning per equity share :			
(a) Basic		31.05	21.48
(b) Diluted		31.05	21.48
(c) Face Value Per Share (₹)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

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S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

	For the Year Ended 31st March, 2015 (₹ Lacs)	For the Year Ended 31st March, 2014 (₹ Lacs)	
FLAWS FROM OPERATING ACTIVITIES			
Net Profit before tax	3,419.79	2,333.48	
ADJUSTMENTS FOR NON-CASH ITEMS			
Depreciation	1,341.44	1,236.22	
Provision for sub standard assets	35.36	31.85	
Provision for Doubtful debts	262.80	-	
Provision for gratuity	1.41	0.97	
Adjustments for non-operating activities			
Interest & Dividends received	(183.47)	(83.59)	
Interest paid	1,735.22	1,600.60	
Loss/(Profit) on sale of assets	33.86	(235.33)	
Flows from operations before working capital changes	6,646.40	4,884.20	
CHANGES IN WORKING CAPITAL			
Trade and other receivables	(826.25)	(251.06)	
Inventories	1,308.83	(863.60)	
Trade Payables	(31.13)	65.86	
Other Liabilities	24.99	23.72	
FLAWS FROM OPERATING ACTIVITIES	7,122.84	3,859.12	
Direct Taxes Paid			
Income Tax	(608.05)	(763.80)	
NET FLOWS FROM OPERATING ACTIVITIES	6,514.79	3,095.32	
FLAWS FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets	(2,872.07)	(2,759.22)	
Sale of Fixed Assets	64.98	487.33	
Investments made	431.69	10.22	
Acquisition of Minority Interest	(7.98)	(0.07)	
Interest & Dividend received	183.47	83.59	
NET FLOWS FROM INVESTING ACTIVITIES	(2,199.91)	(2,178.15)	
FLAWS FROM FINANCING ACTIVITIES			
Borrowings for (Repayments of) working capital Loans	(40.54)	1,738.07	
Term Loans raised	-	1,000.00	
Repayment of Term Loan	(1,500.00)	(1,350.10)	
Other Loans raised	440.51	275.54	
Dividends paid	(304.95)	(423.63)	
Interest paid	(1,735.22)	(1,600.60)	
NET FLOWS FROM FINANCING ACTIVITIES	(3,140.20)	(360.72)	
Net Cash Flows during the year	1,174.67	556.45	
Cash & cash equivalents at beginning of the year	894.86	338.41	
Cash & cash equivalents at the end of the year	2,069.53	894.86	

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 20th May, 2015

DIRECTORS

K.K. SARDANA
S.K. ANAND
V.K. SARDANA
RAVI CHOWDHRY
V.P. KAPAH



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2015		As on 31st March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,34,896	7.24	5,20,146	7.05
Sh. Kuldeep Krishan Sardana	5,67,309	7.68	5,44,559	7.38
Sh. Dhiraj Sardana	4,06,843	5.51	4,06,843	5.51
Sh. Bhavdeep Sardana	4,12,234	5.59	4,12,234	5.59
Sh. Puneet Sardana	4,03,158	5.46	3,99,198	5.41
Sh. Pankaj Sardana	4,02,958	5.46	3,92,958	5.32

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy (*) 418.95 523.81

SECURITIES PREMIUM RESERVE 87.14 87.14

GENERAL RESERVE

As per Last Balance Sheet 15,961.18 14,461.18

Less : transfer from Fixed Assets (63.99) -

Add : Transferred from Profit & Loss Account 2,000.00 1,500.00

17,897.19 15,961.18

PROFIT & LOSS ACCOUNT

As per last Balance Sheet (*) 661.72 511.25

Add : Profit for the year 2,291.52 1,585.00

2,953.24 2,096.25

Less : Appropriations :

(a) Final Dividend (Proposed) 368.99 258.29

(b) Corporate tax on dividend 73.78 43.90

(c) Transferred to General Reserve 2,000.00 1,500.00

Surplus Carried Forward 510.47 294.06

18,913.75 16,866.19

(*) After adjustment of opening reserve of M/S Sukhjit Finance Ltd., which ceased to be subsidiary of the Company during the year.



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED :		
Term Loan(s) from Bank(s)	-	637.40
(i) Secured against hypothecation of Plant & Machinery, other fixed assets and Equitable Mortgage of Building & lease hold rights of Factory Land of Malda unit (The Term Loan is repayable in sixteen equal quarterly installments. First Installment from March, 2012)		
(ii) Secured against hypothecation of Plant & Machinery & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twelve equal quarterly installments. First Installment from May, 2013)	-	500.00
(iii) Secured against extended charge on Plant & Machinery & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twenty equal quarterly installments. First Installment from July, 2014)	650.00	850.00
UNSECURED :		
Fixed Deposits (include ₹ 3,45,42,000/- from Directors, previous year ₹ 4,90,59,000/-) (Maturity Period ranging from 1 to 3 years)	4,536.55	4,081.69
Security Deposits	125.85	116.50
Other Long Term Liabilities	971.49	995.19
	<u>6,283.89</u>	<u>7,180.78</u>
4. DEFERRED TAX LIABILITY (NET)		
As per Last Balance Sheet	1,519.23	1,023.08
Less : Transfer from Fixed Assets	(14.42)	-
Add : Provision for the year due to timing difference arising on :		
(a) Depreciation as per Income Tax Act & Companies Act	450.91	370.34
(b) Brought forward losses	(0.28)	126.11
(c) Gratuity & other provisions	(0.43)	(0.30)
	<u>450.20</u>	<u>496.15</u>
	<u>1,955.01</u>	<u>1,519.23</u>
5. LONG TERM PROVISIONS		
Provision for Gratuity	7.49	6.08
	<u>7.49</u>	<u>6.08</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
6. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit from Bank(s)		
(a) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	6,872.63	5,434.66
(b) Secured against Book Debts	1,374.69	1,986.54
UNSECURED :		
Short Term Borrowings from Bank(s)	633.33	1,500.00
	<u>8,880.65</u>	<u>8,921.20</u>
7. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(a) Micro, Small & Medium Enterprises (*)	20.73	33.10
(b) Others	1,145.22	1,413.06
Sundry Creditors for Expenses	875.01	695.60
Other Creditors (**)	372.45	302.74
	<u>2,413.41</u>	<u>2,444.50</u>
<p>(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. Year NIL)</p> <p>(**) Include ₹ 246.52 lacs (P.Y. ₹ 229.71 lacs) as advances from Sundry Customers for supply of Goods.</p>		
8. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	1,337.21	1,500.00
Unclaimed Dividends	70.12	72.88
Taxes payable	127.58	116.12
Interest accrued but not due on Fixed Deposits	229.40	215.87
	<u>1,764.31</u>	<u>1,904.87</u>
9. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	258.29
Corporate Tax on Dividend	73.78	43.90
	<u>442.77</u>	<u>302.19</u>
11. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	278.57	116.00
Machinery under Errection	241.82	907.80
Furniture / Fixture under Construction	3.67	2.41
Electric Installation under Errection	-	15.05
	<u>524.06</u>	<u>1,041.26</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
12. NON CURRENT INVESTMENTS		
Membership (Investment) - The Country Club (AT COST)	0.65	0.65
INVESTMENT IN GOVT. SECURITIES/UNITS OF MUTUAL FUNDS - UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF SHARES UNQUOTED (AT COST)		
Hindustan Engineering & Industries Ltd. 72610 shares (Prev. Year Nil) of Face value ₹ 10/- per unit	14.56	-
UNQUOTED FULLY PAID - OTHERS (AT COST) :	-	85.80
(i) Hindustan Engineering & Industries Ltd. Nil shares (Prev. Year 70152) of ₹ 10/- each fully paid up and 245848 shares of ₹ 10/- each of Malanpur Steel Ltd. issued in lieu of 316000 shares of Hindustan Development Corp. Ltd.		
(ii) Santosh Securities Ltd. Nil shares (Prev. Year 5000) of ₹ 10/- each fully paid up	-	1.75
Less : Provision for Sub Std. Investments	-	(72.93)
	<u> </u>	<u>14.62</u>
INVESTMENT IN DEBENTURES/UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
(i) Tata Capital Ltd. 20 Non-Convertible Secured Debentures (Pre. Year 20 deb.)of Face Value of ₹ 500000/- per debenture	100.00	100.00
(ii) HDFC Yearly Fixed Maturity Plan (370 days) Nil units (Pre. Year 1500000 units) of Face Value ₹ 10/- per unit	-	150.00
	<u> </u>	<u> </u>
	<u>100.00</u>	<u>250.00</u>
	<u>115.29</u>	<u>265.35</u>
Aggregate Amount of Unquoted Investments - ₹ 15.29 lacs (P.Y. ₹ 15.35 lacs)		
Aggregate Amount of Quoted Investements - ₹ 100 lacs (P.Y. ₹ 250 lacs)		
Market Value of Quoted Investments - ₹ 101.00 lacs (P.Y. ₹ 261.37 lacs)		
13. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Advances against Purchase of Property	136.70	151.70
Other Loans & Advances	-	73.70
Less : Provision for Sub Standard Assets	-	(70.02)
	<u>136.70</u>	<u>155.38</u>
14. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security/Other Deposits	200.55	276.20
	<u>200.55</u>	<u>276.20</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
15. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES UNQUOTED (AT COST) :		
(i) NIFG Canara Robeco Infrastructure Growth Fund Nil units (Prev. Year 93095.4228 units) of Face value of ₹ 10/- per unit	-	24.00
(ii) Reliance Short Term Fund 403997.964 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(iii) Reliance Dynamic Bond Fund Nil units (Prev. Year 305939.510 units) of Face value of ₹ 10/- per unit	-	50.00
(iv) UTI Bond Fund Nil units (Prev. Year 820533.425 units) of Face value of ₹ 10/- per unit	-	300.00
(v) Reliance Regular Saving Fund 554502.002 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(vi) JP Morgan Indian Government Securities Fund 881710.855 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(vii) UTI Short Term Income Fund 627273.868 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(viii) HDFC Prudence Fund Nil units (Prev. Year 36107.630 units) of Face value of ₹ 10/- per unit	-	75.00
(ix) UTI Floating Rate Fund 4632.076 units (Prev. Year 4831.258 units) of Face value of ₹ 10/- per unit	100.00	100.00
	500.00	549.00
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES QUOTED (AT COST) :		
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond	24.72	24.72
(ii) HDFC Yearly Fixed Maturity Plan Nil units (Prev. Year 1000000 units) of Face value ₹ 10/- per unit	-	100.00
(iii) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 1000000 units) of Face value ₹ 10/- per unit	-	100.00
(iv) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture	303.36	303.36
	328.08	528.08



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
QUOTED FULLY PAID - OTHERS (AT COST) :		
(i) Sanghi Polyester Ltd. Nil shares (Prev. Year 4900 shares) of ₹ 10/- each fully paid up	-	0.26
(ii) Reliance Industries Ltd. Nil shares (Prev. Year 300 shares) of ₹ 10/- each fully paid up	-	0.12
(iii) PTL Enterprises Ltd. Nil shares (Prev. Year 5000 shares) of ₹ 10/- each fully paid up	-	1.26
(iv) Tele Data Informatics Ltd. Nil shares (Prev. Year 29122 shares) of ₹ 10/- each fully paid up Nil shares (Prev. Year 6761 shares) of Tele Data Marine Ltd. Nil shares (Prev. Year 6761 shares) of Tele Data Tehnology Solution Ltd.	-	11.39
(v) T T Ltd. Nil shares (Prev. Year 3625 shares) of ₹ 10/- each fully paid up	-	0.43
(vi) Tata Tele Services Ltd. Nil shares (Prev. Year 2000 shares) of ₹ 10/- each fully paid up	-	0.48
	<hr/>	<hr/>
	828.08	13.94
	<hr/> <hr/>	<hr/> <hr/>
	828.08	1,091.02
Aggregate Amount of Unquoted Investements - ₹ 500 lacs (P.Y. ₹ 549 lacs)		
Aggregate Amount of Quoted Investments - ₹ 328.08 lacs (P.Y. ₹ 542.02 lacs)		
Market Value of Quoted Investments - ₹ 344.70 lacs (P.Y. ₹ 569.55 lacs)		

16. INVENTORIES

Raw Materials Basic (at cost or net realisable value whichever is lower)	4,370.38	5,325.79
Stock in Process (at cost or net realisable value whichever is lower)	621.19	823.36
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	1,282.85	1,189.58
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,719.89	1,967.46
Loose Tools (at cost or net realisable value whichever is lower)	17.31	14.26
	<hr/> <hr/>	<hr/> <hr/>
	8,011.62	9,320.45



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
17. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	147.74	126.97
Considered Doubtful	279.95	244.76
	<u>427.69</u>	<u>371.73</u>
Less : Provision for Doubtful Debts	<u>77.37</u>	<u>42.01</u>
	350.32	329.72
Other Considered Goods	5,342.45	5,062.61
	<u>5,692.77</u>	<u>5,392.33</u>
18. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	31.92	24.04
Current Accounts (*)	388.69	234.48
Fixed Deposit Accounts (**)	<u>1,648.92</u>	<u>636.34</u>
	2,037.61	870.82
	<u>2,069.53</u>	<u>894.86</u>
<p>(*) Include Balances of ₹ 62.58 lacs (P.Y. ₹ 65.30 lacs) in the Unclaimed / Unpaid Dividend Accounts. (**) (i) Include deposits of ₹ 35.09 lacs (P.Y. ₹ 36.34 lacs) held as margin money / security against LCs / Bank gurantees (ii) ₹ 33.62 lacs (P.Y. ₹ 24.51 lacs) with the maturity of more than one year.</p>		
19. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value	478.81	161.35
to be received Considered Good (*)		
Advance against Capital Goods	210.03	55.53
Other Advances	112.08	92.06
Income Tax in advance (**)	2,177.30	2,121.01
Less : Provision for Tax	<u>(12,30.00)</u>	<u>(1,105.00)</u>
	947.30	1,016.01
	<u>1,748.22</u>	<u>1,324.95</u>

(*) Include ₹ 21.49 lacs (P.Y. ₹ 30.23 lacs) as Unutilized Cenvat on Capital Goods & ₹ 153 lacs (P.Y. ₹ 74.19 lacs) as advance to sundry suppliers for purchase of materials.

(**) Includes MAT



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	AS ON 31.3.2015 (₹ LACS)	AS ON 31.3.2014 (₹ LACS)
20. OTHER CURRENT ASSETS		
Prepaid Expenses	54.57	51.86
Interest & Other recoverables	164.52	94.58
	<u>219.09</u>	<u>146.44</u>
21. REVENUE FROM OPERATIONS		
(i) Sales	56,192.43	53,601.58
(ii) Less : Excise Duty	2,878.93	2,764.85
Net Sales (i - ii)	<u>53,313.50</u>	<u>50,836.73</u>
22. OTHER INCOME		
Interest Received	183.47	83.53
Dividend Received	-	0.06
Profit/(Loss) on Sale of Assets/Units	(33.86)	235.33
Other Non-operative Income (*)	23.13	24.50
	<u>172.74</u>	<u>343.42</u>
(*) Include Rent Received of ₹ 11.31 lacs (P.Y. ₹ 10.71 lacs) & Net Agriculture Income of ₹ 8.74 lacs (P.Y. ₹ 5.76 lacs)		
23. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	5,325.79	4,810.75
Purchase of Basic Raw Material	30,137.52	32,130.14
	35,463.31	36,940.89
Less : Closing Stock of Basic Raw Material	4,370.38	5,325.79
Effective Consumption of Basic Raw Material	<u>31,092.93</u>	<u>31,615.10</u>
Other Raw Materials, Consumables & Stores	3,207.09	2,968.85
	<u>34,300.02</u>	<u>34,583.95</u>
24. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,189.58	939.38
Opening Stock of Work in Progress	823.36	742.62
	<u>2,012.94</u>	<u>1,682.00</u>
Closing Stock of Finished Goods	1,282.85	1,189.58
Closing Stock of Work in Progress	621.19	823.36
	<u>1,904.04</u>	<u>2,012.94</u>
Change in Inventories	<u>108.90</u>	<u>(330.94)</u>
25. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	2,602.35	2,247.85
Cont. to PF, ESI, Superannuation & Other Funds	213.08	178.09
Workmen & Staff Welfare	168.30	154.98
	<u>2,983.73</u>	<u>2,580.92</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)	FOR THE YEAR ENDED 31.3.2014 (₹ LACS)
26. FINANCE COSTS		
Interest	1,735.22	1,600.60
Other Borrowings Costs/Bank Charges	42.20	59.13
	<u>1,777.42</u>	<u>1,659.73</u>
27. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel & Others	7,226.73	7,062.73
Machinery Repair	517.93	352.04
Building Repair	92.78	83.52
Other Charges	2.27	6.41
	<u>7,839.71</u>	<u>7,504.70</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	18.63	16.23
Professional/Legal Expenses	32.60	36.18
Directors' Fee	2.22	1.47
Travelling Expenses	162.21	153.36
Auditors' Remuneration	6.88	6.08
Rent Paid	24.92	25.47
Electricity & Water Charges	33.61	29.22
Entertainment	4.25	4.94
Postage, Telegram & Telephones	30.66	29.72
Advertisement	21.79	21.75
Subscription	25.50	16.87
General Charges	4.28	12.54
Insurance Expenses	45.02	45.98
Other Repairs & Maintenance	56.55	46.73
Commission & Brokerage	454.30	446.84
Provision for Bad debts	35.36	28.17
Other Govt. Taxes, Levies & Fees	36.97	37.85
Rebate & Discount	134.35	229.09
Directors' Commission	85.63	54.38
Charity & Donation	43.51	8.13
Provision for Sub Std. Assets	-	3.69
Carriage & Forwarding Charges	455.99	357.38
	<u>1715.23</u>	<u>1,612.07</u>
	<u>9554.94</u>	<u>9,116.77</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2015 Amount (₹ Lacs)

TANGIBLE ASSETS **INTANGIBLE ASSETS**

PARTICULARS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE	TOTAL PREVIOUS YEAR	
								31.03.2015	31.03.2014
OWNED ASSETS									
COST									
Cost as on 1.4.2014	2,507.79	5,791.63	211.93	17,565.52	826.62	321.93	21.33	27,246.75	24,466.97
Additions	118.90	650.18	17.76	2404.31	103.82	90.50	3.81	3,389.28	3,174.55
Sale/Adjustments	--	--	--	39.27	2.21	48.36	--	89.84	370.58
Total as on 31.3.2015	2,626.69	6,441.81	229.69	19,930.55	928.23	364.07	25.14	30,546.18	27,270.94
DEPRECIATION									
Upto 31.3.2014	--	1,673.58	142.77	4,818.23	441.80	208.96	13.77	7,299.02	6,188.65
For the Year	--	438.04	29.14	718.75	172.42	56.71	4.78	1,419.84 (*)	1,233.56
On Sale/Adjustments	--	--	--	3.69	1.22	22.16	--	27.07	118.59
Upto 31.3.2015	--	2,111.53	171.91	5,533.29	613.00	243.51	18.55	8,691.79	7,303.62
NET VALUE									
As on 31.3.2015	2,626.69	4,330.28	57.78	14,397.26	315.23	120.56	6.59	21,854.39	19,967.32
(*) Includes Rs. 7841000/- on account of transfer from fixed assets as per schedule II of The Companies Act, 2013									
ASSETS GIVEN ON LEASE :									
COST									
Cost as on 1.4.2014	--	--	--	--	--	--	--	--	170.57
Additions	--	--	--	--	--	--	--	--	--
Sale/Adjustments	--	--	--	--	--	--	--	--	--
Total as on 31.3.2015	--	--	--	--	--	--	--	--	170.57
DEPRECIATION									
Upto 31.3.2014	--	--	--	--	--	--	--	--	137.13
For the Year	--	--	--	--	--	--	--	--	2.66
On Sale/Adjustments	--	--	--	--	--	--	--	--	--
Upto 31.3.2015	--	--	--	--	--	--	--	--	139.79
NET VALUE									
As on 31.3.2015	--	--	--	--	--	--	--	--	30.78
GRAND TOTAL									
As at 31.3.2015	2,626.69	4,330.28	57.78	14,397.26	315.23	120.56	6.59	21,854.39	19,998.10



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

32. Figures for the previous year have been recast / regrouped wherever necessary.
33. Contingent Liabilities not provided for include :
- (a) **LCs / Bank Guarantees** issued for ₹ 294.64 lacs (Previous Year ₹ 251.51 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc.
- (b) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 24.16 Crores. The amount mainly includes ₹ 22.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notice against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of ₹ 1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise. In other cases, for ₹ 0.06 crores, the decisions are in favour of the Company and the department is in appeal before the Tribunal.
- (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 6.70 crores (Prev. year ₹ 5.50 crores)
- (d) Export obligation pending to be fulfilled is US\$ 8.61 lacs (Prev. year US\$ 0.21 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 7.21 lacs during the year under reference (Prev. Year US\$ 15.89 lacs).

34. Earnings per share :	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (₹ in Lacs)	2,291.53	1,584.93
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	31.05	21.48
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	31.05	21.48

35. Related Party Disclosures :

- (a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

- | | | |
|--|---|------------|
| (i) The Vijoy Steel & General Mills Co. Ltd. | : | Subsidiary |
| (ii) Scott Industries Ltd. | : | Subsidiary |

KEY MANAGEMENT PERSONNEL

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

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

(Amount ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			8.20 (7.00)	8.20 (7.00)
Remuneration		296.67 (264.36)	123.09 (97.70)	419.76 (362.06)
On account of sales	NIL (2.69)			NIL (2.69)
On account of Purchases	67.18 (93.38)			67.18 (93.38)
Rent received	0.06 (0.06)			0.06 (0.06)

	<u>2014-15</u>	<u>2013-14</u>
	(₹ Lacs)	(₹ Lacs)
36. Managerial Remuneration paid/payable to the Executive Directors		
(i) Salaries	166.80	157.92
(ii) Commission	50.80	32.13
(iii) Contribution to retirement benefit funds	13.49	12.77
(iv) Perquisites	28.81	29.18

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	102.07	20,060.51	101.24	2,320.16
Subsidiaries (Indian)				
The Vijoy Steel & General Mills Co. Ltd.	0.01	3.90	0.06	1.39
Scott Industries Ltd.	(2.10)	(413.93)	(1.32)	(30.29)
Minority Interest in all subsidiaries/ Associates	0.00	(1.04)	0.00	(0.05)

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2015 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Leasing/Hire Purchase Financing		Heavy Machinery		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment Revenue												
-- External Sales	53,417.43	50,888.31	0.00	193.57	--	0.06	68.81	98.21	--	--	53,486.24	51,180.15
-- Internal Sales	0.06	2.74	--	--	--	5.00	11.66	14.34	(11.72)	(22.08)	--	--
Total Revenue	53,417.49	50,891.05	--	193.57	--	5.06	80.47	112.55	(11.72)	(22.08)	53,486.24	51,180.15
2. Segment Result												
-- Profit before Tax	3,448.47	2,265.80	(30.29)	70.71	--	(2.38)	1.59	3.18	--	(3.83)	3,419.79	2,333.48
-- Provision for Taxation	(1,128.01)	(661.78)	0.00	(85.49)	--	--	(0.20)	(1.28)	--	--	(1,128.21)	(748.55)
-- Profit after Taxation	2,320.46	1,604.02	(30.29)	(14.78)	--	(2.38)	1.39	1.90	--	(3.83)	2,291.58	1,584.93
3. Segment Assets												
-- Segment assets	41,794.86	40,444.83	238.45	283.83	--	134.23	121.75	114.33	(754.76)	(1,085.18)	41,400.30	39,892.04
-- Segment Liabilities	19,776.98	20,795.63	212.22	227.34	--	0.35	97.14	91.32	(294.82)	(355.02)	19,791.52	20,759.62
-- Capital Expenditure	2,868.42	2,759.23	--	--	--	--	3.65	0.00	--	--	2,872.07	2,759.23



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets. As per the provisions of the Schedule II of the Companies Act, 2013, the written down value of fixed assets amounting to ₹ 78.41 lacs, whose lives expired as per the estimated useful life specified in the said schedule, have been adjusted in the opening balance of General Reserves during the year ended 31st March, 2015.

3. LEASES

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

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value amounting to ₹ 63.99 lacs of the fixed assets, net of tax (₹ 14.42 lacs), whose lives had expired as per the estimated useful life specified in the said schedule, as on 1st April 2014 have been adjusted, in the opening balance of General Reserves during the year ended 31st March, 2015.

Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

- (i) Short term employee benefits are charged to the profit & loss account of the year in which the employee renders services. These benefits include Annual leave encashment, Ex-gratia etc.
- (ii) A defined contribution plan comprises contribution to Employees Provident fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expense during the periods employees perform services.



- (iii) Defined benefit plans include gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. Under a separate trust, and charged to the Profit and loss account of the relevant year. Contributions to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the life insurance corporation of India and charged to the profit and loss account on the same basis.

9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions relating to sale of goods are translated at the rates prevailing at the time of settlement of transactions. The transactions remaining unsettled as on the balance sheet date are translated at the contracted rates (where applicable) or at the exchange rates prevailing at the end of the accounting year.

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

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

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

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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

THE SUKHJIT STARCH & CHEMICALS LIMITED

Regd. Office : Sarai Road, Phagwara-144401 Distt. Kapurthala, Punjab
 Email : sukhjit@sukhjitgroup.com Website : www.sukhjitgroup.com
 C.I.N. : L15321PB1944PLC001925

**ATTENDANCE SLIP
 ANNUAL GENERAL MEETING - JULY 29, 2015 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 Wednesday the 29th day of July, 2015 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 Wednesday, July 29, 2015 at 10.00 A.M. at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

1.	2.	3.	4.
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Signed this..... day of 2015.

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.

FORM A

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchange

1	Name of the company	The Sukhjit Starch & Chemicals Limited
2	Annual financial statements for the year ended	31 st March, 2015 (both standalone & consolidated)
3	Type of Audit observation	Un-qualified
4	Frequency of observation	N.A.
5	<p>To be signed by-</p> <p>- CEO/Managing Director</p> <p>- CFO</p> <p>- Auditor of the company</p> <p>- Audit Committee Chairman</p>	 (I.K. Sardana) Managing Director   (M.G.Sharma) Sr. Vice President & C.F.O.   (Y.K. Sud) Prop. Y.K. Sud & Co. Chartered Accountants   (V.P. Kapahi) Chairman, Audit Committee 