

**THE SUKHJIT STARCH
&
CHEMICALS LIMITED**

**ACCOUNTS
OF
THE SUBSIDIARY
COMPANIES**

**THE VIJOY STEEL & GENERAL MILLS CO. LTD. (CIN : U19113PB1945PLC001956)
SCOTT INDUSTRIES LIMITED (CIN : U18101PB1997PLC020568)
SUKHJIT MEGA FOOD PARK & INFRA LIMITED (CIN : U45209PB2015PLC039547)**

ANNUAL REPORT 2018-2019

The Vijoy Steel & General Mills Co. Ltd., Phagwara

BOARD OF DIRECTORS

Sh. Raman Narang
Sh. V.K. Suri
Sh. S.D Patel

AUDITORS

M/s N.K. Gaba & Co.
Chartered Accountants
Railway Road,
Phagwara.

REGISTERED OFFICE

G.T. Road,
Phagwara-144 401.
Distt. Kapurthala (Pb.)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present before you the 73rd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE

The Company has shown a turn around during the year under reference. The company is expected to improve upon its performance during the running year.

2. DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019.

3. 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, 2019, the applicable Indian 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, 2019 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.

4. DIRECTORS

Sh. V.K. Suri retires by rotation and being eligible, the Board recommends his appointment.

5. 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 management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

6. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors or their Relatives which could have potential conflict with the interest of the Company. However, the transactions with Holding Company is incurred after due appraisal at Director's level, which are in the ordinary course of business and are on arm's length price, in terms of Ind AS-24 are given as per notes to Accounts.

7. MEETINGS OF THE BOARD

The Board of Directors held four meetings during the year under reference.

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

The Company has neither given any loan / Guarantee nor made any Investment / provide any Security.

The Vijoy Steel & General Mills Co. Ltd., Phagwara

9. EXTRACT OF ANNUAL RETURN

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

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

(a) **Conservation of Energy** :Your company continues to put in its efforts to conserve energy under Energy Conservation Programme and through better utilization of equipment and proper production planning.

(b) **Technical arrangements** : The company has not entered into any technical (Foreign or indigenous) collaboration arrangement. It has not incurred any expenditure for acquiring any technical know-how either indigenous or foreign.

| (c) Foreign Exchange Earnings & Outgo | 2018-2019 (₹ lacs) | 2017-2018 (₹ lacs) |
|---|-----------------------|-----------------------|
| 1. Foreign Exchange Earnings on Exports | - | - |
| 2. Foreign Exchange used on account of | | |
| (i) Foreign Travel | - | - |
| (ii) CIF Value of Imports- | - | - |
| Capital Goods | - | - |
| Raw Material & Consumables | - | - |

(d) **Particulars of Employees**: There had been no employee with the company who was in receipt of remuneration in aggregate of not less than ₹ 1,02,00,000/- p.a. or ₹ 8,50,000/- p.m. if employed for a part of the year.

11. GENERAL DISCLOSURE

- The Company has not accepted/ renewed any deposits during the year under reference.
- No shares have been issued with differential rights as to dividend, voting or otherwise.
- There is no significant and material order passed by any regulator, court, tribunal which may impact the going concern status of the Company and Company's operations in future.
- There is no change in the nature of company's business during the year under review.
- There was no instance of fraud during the year under reference, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made thereunder.

12. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors:

M/s N.K. Gaba & Co., Chartered Accountants, The retiring Auditors of the company, have confirmed their eligibility to be re-appointed as statutory auditors of the company at ensuing Annual General Meeting. The board of Directors recommends the re-appoint of M/s N.K. Gaba & Co. 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 given by M/s. N.K. Gaba & Co., Chartered Accountants, does not have any qualification, reservation or adverse remark.

13. 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/-
RAMAN NARANG
Chairman

Place : Phagwara
Dated : 24th May, 2019

The Vijoy Steel & General Mills Co. Ltd., Phagwara

ANNEXURE 'A'

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

as on financial year ended on 31.03.2019

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 | U19113PB1945LC001956 |
| ii. | Registration Date | 09-07-1945 |
| iii. | Name of the Company | The Vijoy Steel & General Mills Co. Ltd. |
| iv. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES |
| v. | Address of the Registered office & contact details | G.T. Road, PHAGWARA, DISTT KAPURTHALA, 144401, INDIA |
| vi. | Whether listed company | No |
| vii. | Name , Address & contact details of the Registrar & Transfer Agent, if any. | NA |

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 | Manufacture of general purpose machinery | 2819 |

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 | Sukhjot Starch & Chemicals Limited | L15321PB1944PLC001925 | Holding | 96.17 | SEC 2(87) |

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 (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year | |
|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| A. Promoters | | | | | | | | | | |
| (1) Indian | - | 3,200 | 3,200 | 1.39 | - | 3,200 | 3,200 | 1.39 | - | - |
| a) Individual/HUF | | | | | | | | | | |
| b) Central Govt. or State Govt. | | | | | | | | | | |
| c) Bodies Corporates | - | 2,21,800 | 2,21,800 | 96.17 | - | 2,21,800 | 2,21,800 | 96.17 | - | - |
| d) Bank/FI | | | | | | | | | | |
| e) Any other | | | | | | | | | | |
| Total Shareholding of Promoter (A) | - | 2,25,000 | 2,25,000 | 97.55 | - | 2,25,000 | 2,25,000 | 97.55 | - | - |

The Vijoy Steel & General Mills Co. Ltd., Phagwara

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year | |
|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| Non Institutions | | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | | |
| i) Indian | - | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs | - | 5,640 | 5,640 | 2.45 | - | 5,640 | 5,640 | 2.45 | - | - |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | - | - | - | - | - | - | - | - | - | - |
| c) Others (specify) | - | - | - | - | - | - | - | - | - | - |
| Total Public Shareholding (B) | - | 5,640 | 5,640 | 2.45 | - | 5,640 | 5,640 | 2.45 | - | - |
| Grand Total (A+B) | - | 2,30,640 | 2,30,640 | 100 | - | 2,30,640 | 2,30,640 | 100 | - | - |

(V) SHARE HOLDING OF PROMOTERS

| S.No. | Shareholders Name | Shareholding at the beginning of the year (01.04.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % 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 | |
| | Individual | | | | | | | |
| 1 | I K Sardana | 200 | 0.09 | 0 | 200 | 0.09 | 0 | - |
| 2 | K K Sardana | 500 | 0.22 | 0 | 500 | 0.22 | 0 | - |
| 3 | Shashi Jain | 2000 | 0.87 | 0 | 2000 | 0.87 | 0 | - |
| 4 | V.K. Suri | 500 | 0.22 | 0 | 500 | 0.22 | 0 | - |
| | | 3200 | 1.39 | 0 | 3200 | 1.39 | 0 | - |
| | BODIES CORPORATES | | | | | | | |
| 1 | SUKHJIT STARCH & CHEMICALS LIMITED | 221800 | 96.17 | 0 | 221800 | 96.17 | 0 | - |
| | | 221800 | 96.17 | 0 | 221800 | 96.17 | 0 | - |
| | Total | 225000 | 96.47 | 0 | 225000 | 96.47 | 0 | - |

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

| S.No. | Promoters | Shareholding at the beginning of the year (01.04.2018) / End of year (31.03.2019) | | 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 |
| | There is no change during the year under reference in the promoters' shareholding | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |

The Vijoy Steel & General Mills Co. Ltd., Phagwara

(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 (01.04.2018) /End of year (31.03.2019) | | 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 | Shanta Sardana | 600 | 0.26 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 600 | 0.26 | 31.03.2019 | | | 600 | 0.26 |
| 2 | Sirinivas Mukand Parulekar | 500 | 0.22 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 500 | 0.22 | 31.03.2019 | | | 500 | 0.22 |
| 3 | Govind Kumar | 450 | 0.20 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 450 | 0.20 | 31.03.2019 | | | 450 | 0.20 |
| 4 | Ram Muri Duggal | 400 | 0.17 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 400 | 0.17 | 31.03.2019 | | | 400 | 0.17 |
| 5 | Charanjit lal Duggal | 200 | 0.09 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 200 | 0.09 | 31.03.2019 | | | 200 | 0.09 |
| 6 | Kartar Singh | 200 | 0.09 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 200 | 0.09 | 31.03.2019 | | | 200 | 0.09 |
| 7 | Chaman Lal Grover | 200 | 0.09 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 200 | 0.09 | 31.03.2019 | | | 200 | 0.09 |
| 8 | Gurdas Mal | 200 | 0.09 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 200 | 0.09 | 31.03.2019 | | | 200 | 0.09 |
| 9 | Mool Raj | 200 | 0.09 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 200 | 0.09 | 31.03.2019 | | | 200 | 0.09 |
| 10 | Vijay Kumar | 100 | 0.04 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 100 | 0.04 | 31.03.2019 | | | 100 | 0.04 |

(VIII) Shareholding of Directors & KMP

| S.No. | Promoters | Shareholding at the beginning of the year (01.04.2018) /End of year (31.03.2019) | | 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 | Raman Narang (Director) | 2000 | 0.87 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 2000 | 0.87 | 31.03.2019 | | | 2000 | 0.87 |
| 2 | V K Suri (Director) | 500 | 0.00 | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | 500 | 0.22 | 31.03.2019 | | | 500 | 0.22 |
| 3 | S.D. Patel (Director) | - | - | 01.04.2018 | | | | |
| | | | | | NIL | No Change | | |
| | | - | - | 31.03.2019 | | | - | - |

The Vijoy Steel & General Mills Co. Ltd., Phagwara

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 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

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 | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | | | | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| 2 | Commission (as % of profit) | | | | |
| 3 | Others (Retirement Benefits) | | | | |
| | Total (A) | | | | |
| | Ceiling as per the Act | | | | |

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

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

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 | | | | | |

INDEPENDENT AUDITORS' REPORT

To
The Members of
The Vijoy Steel & General Mills Co. Ltd.
G.T. Road, Phagwara.

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying Financial Statements of THE VIJOY STEEL & GENERAL MILLS CO. LTD., PHAGWARA which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit & Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Standalone Financial Statements 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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. An audit also includes evaluating the appropriateness of the 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.

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March 2019;

The Vijoy Steel & General Mills Co. Ltd., Phagwara

- (ii) in the case of Profit & Loss Statement, of the Loss of the company for the year ended on that date;
- (iii) In the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date; and
- (iv) of the Statement of Changes in Equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the Companies (Audit and Auditors) Rules, 2014, a report on the internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is in Annexure A
2. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

Further to our comments in the Annexure B referred to above, we report that:

- (a) We have obtained all the information as required and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
- (c) The Balance Sheet, Profit & Loss Statement, Cash Flow Statement and Statement of Changes in Equity, referred to in this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors, as on 31st March 2019, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

For N.K. Gaba & Co.
Chartered Accountants
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

Place : Phagwara
Dated : 24th May, 2019

Annexure 'A' to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of THE VIJOY STEEL & GENERAL MILLS CO. LTD., PHAGWARA in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Annexure 'B' to the Independent Auditor's Report

The Annexure B referred to in the Auditors' Report to the members of THE VIJOY STEEL & GENERAL MILLS CO. LTD., PHAGWARA for the year ended 31st March 2019. We report that:

1. The Company has maintained records showing quantitative details of Fixed Assets. The physical verification of Fixed Assets is done by the management at reasonable intervals. The company during the year has not disposed off any Fixed Asset, affecting its going concern status. The Title Deeds of the immovable property are held in the name of the Company.
2. As explained to us, The management of the Company has conducted physical verification of inventory at regular intervals and no material discrepancies were noticed on physical verification.
The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
3. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company is regular in depositing undisputed statutory dues including Provident Fund,

The Vijoy Steel & General Mills Co. Ltd., Phagwara

ESI, Investor Education and Protection Fund, Sales-tax, Wealth tax, Service Tax, Income Tax, Customs duty, VAT and GST etc.

According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service Tax, Excise, Wealth tax and GST which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks , government and debenture holders
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
10. According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees, has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration.
12. The Company is not a Nidhi Company.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable indian accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.K. Gaba & Co.

Chartered Accountants

Firm Registration Number 003684N

Sd/-

(N.K. Gaba)

Partner

Memb. No. 82375

Place : Phagwara

Dated : 24th May, 2019

The Vijoy Steel & General Mills Co. Ltd., Phagwara

BALANCE SHEET AS ON 31ST MARCH, 2019

| | NOTE | AS ON 31.3.2019 (₹ LACS) | | AS ON 31.3.2018 (₹ LACS) | |
|------------------------------------|------|-----------------------------|---------------------|-----------------------------|---------------------|
| ASSETS | | | | | |
| 1. NON CURRENT ASSETS | | | | | |
| (a) Property, Plant and Equipment | 1 | 20.88 | | 18.42 | |
| (b) Deferred Tax Asset (net) | | 8.19 | | 8.66 | |
| (c) Other Non Current Assets | | | | | |
| (i) Security deposits | 2 | <u>3.62</u> | <u>32.68</u> | <u>3.60</u> | 30.68 |
| 2. CURRENT ASSETS | | | | | |
| (a) Inventories | 3 | 47.27 | | 38.03 | |
| (b) Financial Assets | | | | | |
| (i) Trade Receivables | 4 | 4.25 | | 0.34 | |
| (ii) Cash & Cash Equivalents | 5 | 2.57 | | 1.12 | |
| (iii) Loans & advances | 6 | 4.22 | | 0.97 | |
| (c) Current tax asset (net) | | | | | |
| (d) Other Current assets | 7 | <u>0.57</u> | <u>58.88</u> | – | 40.46 |
| Total Assets | | | <u><u>91.56</u></u> | | <u><u>71.14</u></u> |
| EQUITY AND LIABILITIES | | | | | |
| 1. EQUITY | | | | | |
| (a) Equity Share Capital | 8 | 23.06 | | 23.06 | |
| (b) Other Equity | 9 | <u>(14.81)</u> | <u>8.26</u> | <u>(16.16)</u> | 6.90 |
| 2. LIABILITIES | | | | | |
| (A) NON CURRENT LIABILITIES | | | | | |
| (a) Financial Liabilities | | | | | |
| (b) Provisions | 10 | <u>6.86</u> | <u>6.86</u> | <u>6.57</u> | 6.57 |
| (B) CURRENT LIABILITIES | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Trade Payables | 11 | 10.22 | | 6.59 | |
| (b) Other Current Liabilities | 12 | <u>66.23</u> | <u>76.45</u> | <u>51.08</u> | 57.67 |
| Total | | | <u><u>91.56</u></u> | | <u><u>71.14</u></u> |

The accompanying notes are intergal part of these financial statements

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

DIRECTORS

| |
|--------------|
| RAMAN NARANG |
| V.K. SURI |
| S.D. PATEL |

Place : Phagwara
Dated : 24th May, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| | NOTE | FOR THE YEAR ENDED 31.03.2019 (₹ LACS) | FOR THE YEAR ENDED 31.03.2018 (₹ LACS) |
|--|------|--|--|
| 1. Revenue From Operations | 13 | 70.60 | 57.56 |
| 2. Other Income | | - | - |
| Total Revenue | | 70.60 | 57.56 |
| 3. Expenses | | | |
| Cost of materials consumed | 14 | 35.26 | 23.41 |
| Change in Inventories of finished goods & work in progress | 15 | (15.35) | 5.29 |
| Employees Benefits Exps. | 16 | 30.37 | 26.54 |
| Depreciation & Amortisation | 17 | 2.06 | 1.93 |
| Other Expenses | 18 | 16.43 | 8.50 |
| Total Expenses | | 68.77 | 65.67 |
| 4. Profit Before Exceptional Items and Tax (1-2) | | 1.82 | (8.11) |
| Exceptional Items | | - | - |
| 5. Profit/Loss Before Tax | | 1.82 | (8.11) |
| 6. Provision for Tax | | | |
| Current Tax | | - | - |
| Deferred Tax | | (0.47) | 1.19 |
| 7. Profit/Loss for the periods from Continuing Operation | | 1.35 | (6.92) |
| 8. Profit/Loss from Discontinued Operations | | - | - |
| 9. Profit/Loss for the Period | | 1.35 | (6.92) |
| 10. Other Comprehensive Income | | - | - |
| 11. Total Comprehensive Income | | 1.35 | (6.92) |
| 12. Earnings Per Share | 19 | | |
| (i) Basic | | 0.58 | (3.00) |
| (ii) Diluted | | 0.58 | (3.00) |
| Profit brought forward | | (31.19) | (24.27) |
| Add : Current Year Profit | | 1.35 | (6.92) |
| Bal. carried over to B/S | | (29.84) | (31.19) |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

DIRECTORS { RAMAN NARANG
V.K. SURI
S.D. PATEL

Place : Phagwara
Dated : 24th May, 2019

The Vijoy Steel & General Mills Co. Ltd., Phagwara

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ LACS)

A. EQUITY SHARE CAPITAL

| Bal at beginning of reporting period, i.e. 1st April, 2017 | Changes in Equity Share Capital during 2017-18 | Balance at end of reporting period, i.e. 31st March 2018 | Changes in Equity Share Capital during 2018-19 | Balance at end of reporting period, i.e. 31st March 2019 |
|--|--|--|--|--|
| 23.06 | - | 23.06 | - | 23.06 |

B. OTHER EQUITY

| | Bal at beginning of reporting period, i.e. 1st April, 2017 | Total Comprehensive income of year | Dividend | Tax on Dividend | Balance at end of reporting period, i.e. 31st March 2018 |
|------------------------------|--|------------------------------------|----------|-----------------|--|
| As at 31st March 2018 | | | | | |
| Reserve & Surplus | | | | | |
| Capital Reserve | 0.14 | - | - | - | 0.14 |
| General Reserve | 14.90 | - | - | - | 14.90 |
| Profit & Loss Account | (24.27) | (6.92) | - | - | (31.19) |
| Total | (9.23) | (6.92) | - | - | (16.15) |

| | Bal at beginning of reporting period, i.e. 1st April, 2018 | Total Comprehensive income of year | Dividend | Tax on Dividend | Balance at end of reporting period, i.e. 31st March 2019 |
|------------------------------|--|------------------------------------|----------|-----------------|--|
| As at 31st March 2019 | | | | | |
| Reserve & Surplus | | | | | |
| Capital Reserve | 0.14 | - | - | - | 0.14 |
| General Reserve | 14.90 | - | - | - | 14.90 |
| Profit & Loss Account | (31.19) | 1.35 | - | - | (29.84) |
| Total | (16.15) | 1.35 | - | - | (14.80) |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

DIRECTORS [RAMAN NARANG
V.K. SURI
S.D. PATEL

Place : Phagwara
Dated : 24th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| | For the Year Ended 31st March, 2019 (₹ lacs) | For the Year Ended 31st March, 2018 (₹ lacs) |
|---|--|--|
| A. NET PROFIT BEFORE TAX | 1.82 | (8.11) |
| Adjustments for | | |
| Depreciation less Depreciation w/back | 2.06 | 1.93 |
| Provision for gratuity | 0.28 | 1.02 |
| Operating Profit before Working Capital Changes (A) | <u>4.17</u> | <u>(5.16)</u> |
| Adjustments for | | |
| Receivables | (7.15) | (0.59) |
| Inventories | (9.25) | 10.55 |
| Current Assets | (0.57) | - |
| Current Liabilities (B) | <u>18.78</u> | <u>(5.01)</u> |
| | <u>1.81</u> | <u>4.95</u> |
| Cash Generated from Operations (A-B) | 5.98 | (0.21) |
| Income Tax & FBT for the period | - | - |
| NET CASH FROM OPERATING ACTIVITIES (C) | <u>5.98</u> | <u>(0.21)</u> |
| CASH FROM FINANCING & INVESTING ACTIVITIES | | |
| Increase/Decrease in Fixed assets | (4.52) | (0.03) |
| Increase/Decrease in Security Deposits | - | - |
| Increase/Decrease in Share Capital | - | - |
| Increase/Decrease in Reserve & Surplus | - | - |
| NET CASH FROM FINANCING & INVESTING ACTIVITIES (D) | <u>(4.52)</u> | <u>(0.03)</u> |
| Net increase in Cash and Cash Equivalents (C+D) | 1.46 | (0.24) |
| Opening Cash and Cash Equivalents | 1.12 | 1.35 |
| Closing Cash and Cash Equivalents | <u>2.58</u> | <u>1.12</u> |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

DIRECTORS [RAMAN NARANG
V.K. SURI
S.D. PATEL

Place : Phagwara
Dated : 24th May, 2019

SIGNIFICANT ACCOUNTING POLICIES / NOTES ON FINANCIAL STATEMENTS

20. SIGNIFICANT ACCOUNTING POLICIES

(a) Method of Accounting

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

(b) Inventory

Inventories are avlued at cost or net realizable value, whichever is less.

(c) Depreciation

Depreciation is provided on Straight Line Method, Calculated as per the useful life provided under Companies Act, 2013.

(d) Fixed Assets

Fixed assets are stated at Original cost including duties, taxes, freight and any other incidental acquisition expenses and revenue expenditure incurred for the period prior to commcerical production is considered as a part of the cost of assets.

(e) Foreign Currency Transactions

There were no foreign currency transactions during the year.

(f) Taxation

Deffered Tax is provided for during the year in accordance with the Indian Accounting Standard, accounting for taxes on income, issued by The Institute of Chartered Accountants of India. No provision for income tax is required as the company has unabsorbed accumulated losses.

(g) Auditors remuneration (including service-tax where applicable)

| | Current Year (₹ lacs) | Previous Year (₹ lacs) |
|---------------------|-----------------------|------------------------|
| For Statutory Audit | 0.30 | 0.30 |

(h) RELATED PARTY DISCLOSURE

(a) Party which significantly influence the company :

M/s THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA (HOLDING COMPANY)

(b) Parties which are significantly influenced by the company : NIL

(c) Related Party Disclosures

| PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
|-------------------|--------------|---------------|
| Sale of Goods | 43.54 | 17.34 |
| Purchase of Goods | — | — |
| Rent Paid | 0.06 | 0.06 |

(i) Figures for the previous year have been recast / re-grouped wherever necessary.

(j) Provision for Gratuity has been made in accordance with Indian Accounting Standard 15, "Employee Benefits".

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

FIXED ASSETS AS ON MARCH 31, 2019

(₹ LACS)

NOTE : 1

| Particulars | GROSS BLOCK | | DEPRECIATION BLOCK | | NET BLOCK | | | |
|------------------------|------------------------|-----------------------|------------------------|--------------------|-----------------|--------------------|--------------------|--------------------|
| | Cost As on 1.4.2018 | Additions 31.03.18 | Cost As on 31.03.18 | Upto 31.03.2018 | For the Year | Upto 31.03.2019 | As on 31.3.2018 | As on 31.3.2019 |
| Land | 5.54 | - | 5.54 | - | - | - | 5.54 | 5.54 |
| Building | 9.10 | - | 9.10 | 5.69 | 0.11 | 5.80 | 3.41 | 3.30 |
| Electric Fitting | 7.05 | - | 7.05 | 6.88 | - | 6.88 | 0.17 | 0.17 |
| Furniture | 0.73 | - | 0.73 | 0.69 | 0.01 | 0.69 | 0.04 | 0.04 |
| Machinery | 44.34 | 5 | 48.86 | 35.50 | 1.86 | 37.35 | 8.84 | 11.51 |
| Cycle | 0.01 | - | 0.01 | 0.01 | - | 0.01 | - | - |
| Generator | 1.45 | - | 1.45 | 1.45 | - | 1.45 | 0.01 | 0.01 |
| Laboratory | 0.19 | - | 0.19 | 0.19 | - | 0.19 | - | - |
| Library Books | 0.01 | - | 0.01 | 0.01 | - | 0.01 | - | - |
| Patterns | 3.82 | - | 3.82 | 3.74 | - | 3.74 | 0.07 | 0.07 |
| Tools & Tackles | 2.05 | - | 2.05 | 1.86 | 0.08 | 1.94 | 0.19 | 0.11 |
| Tubewell | 0.98 | - | 0.98 | 0.93 | - | 0.93 | 0.05 | 0.05 |
| Water Line & Hand Pump | 0.43 | - | 0.43 | 0.43 | - | 0.43 | 0.01 | 0.01 |
| Weight Bridge | 0.24 | - | 0.24 | 0.17 | 0.02 | 0.19 | 0.07 | 0.05 |
| Computer | 0.45 | - | 0.45 | 0.44 | - | 0.44 | 0.01 | 0.01 |
| Total | 76.40 | 5 | 80.93 | 57.99 | 2.06 | 60.05 | 20.88 | 18.42 |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-

(N.K. Gaba)
Partner
Memb. No. 82375

Place : Phagwara
Dated : 24th May, 2019

For and On behalf of the Board

[RAMAN NARANG
V.K. SURI
S.D. PATEL]
DIRECTORS

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|---|-----------------------------|-----------------------------|
| 2. SECURITY DEPOSITS | | |
| Security with P.S.E.B. | 3.01 | 3.00 |
| Security with Telephone Deptt. | 0.07 | 0.07 |
| Security with PSI & Exports Corp | 0.45 | 0.45 |
| Security (LPG cylinder) | 0.08 | 0.08 |
| | <u>3.62</u> | <u>3.60</u> |
| 3. INVENTORIES | | |
| Raw Material | 4.50 | 10.60 |
| Work in Progress | 33.96 | - |
| Finished Goods | 8.81 | 27.43 |
| | <u>47.27</u> | <u>38.03</u> |
| 4. TRADE RECEIVABLES | | |
| Less than Six Month | 4.25 | 0.34 |
| More than Six Month | - | - |
| | <u>4.25</u> | <u>0.34</u> |
| 5. CASH & CASH EQUIVALENTS | | |
| Cash in Hand | 0.62 | 0.36 |
| Punjab National Bank CA-038300210 | 1.96 | 0.76 |
| | <u>2.57</u> | <u>1.12</u> |
| 6. SHORT TERM LOANS & ADVANCES | | |
| Advances to Employees | 0.16 | 0.47 |
| Trade Advances | 4.05 | 0.50 |
| | <u>4.22</u> | <u>0.97</u> |
| 7. OTHER CURRENT ASSETS | | |
| TDS Receivable | 0.57 | - |
| | <u>0.57</u> | <u>-</u> |
| 8. EQUITY SHARE CAPITAL | | |
| AUTHORISED | | |
| 2,50,000 Equity Shares of ₹ 10/- each each fully paid | 25.00 | 25.00 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 230640 Equity Shares of ₹ 10/- each fully paid (221800 Equity shares held by Holding Co.) | 23.06 | 23.06 |
| | <u>23.06</u> | <u>23.06</u> |
| 9. OTHER EQUITY | | |
| Capital Reserve | 0.14 | 0.14 |
| General Reserve | 14.90 | 14.90 |
| Profit & Loss Account | (29.84) | (31.19) |
| | <u>(14.81)</u> | <u>(16.16)</u> |
| 10. LONG TERM PROVISIONS | | |
| Provision for gratuity | 6.86 | 6.57 |
| | <u>6.86</u> | <u>6.57</u> |
| 11. TRADE PAYABLES | | |
| Trade payable for goods | 3.08 | 1.84 |
| Trade payable for Expense | 7.14 | 4.75 |
| | <u>10.22</u> | <u>6.59</u> |
| 12. OTHER CURRENT LIABILITIES | | |
| Advances from Holding Co. | 66.23 | 51.08 |
| | <u>66.23</u> | <u>51.08</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|--|-----------------------------|-----------------------------|
| 13. REVENUE FROM OPERATIONS | | |
| VAT Sales | - | 35.46 |
| GST Sales | <u>70.60</u> | <u>22.10</u> |
| | <u>70.60</u> | <u>57.56</u> |
| 14. COST OF MATERIALS CONSUMED | | |
| Opening Stock of Raw Material | 10.60 | 15.86 |
| Add : Purchases | <u>29.16</u> | <u>18.15</u> |
| | <u>39.76</u> | <u>34.01</u> |
| Less : Closing Stock of Raw Material | <u>4.50</u> | <u>10.60</u> |
| | <u>35.26</u> | <u>23.41</u> |
| 15. CHANGE IN INVENTORIES OF FINISHED GOODS | | |
| Opening Stock of Finished Goods | 27.43 | 32.72 |
| Opening Stock of Work in Progress | - | - |
| Closing Stock of Finished Goods | 8.81 | 27.43 |
| Closing Stock of Work in Progress | <u>33.96</u> | <u>-</u> |
| | <u>(15.35)</u> | <u>5.29</u> |
| 16. EMPLOYEES BENEFITS EXPENSES | | |
| Salary & Wages | 20.26 | 20.64 |
| Contribution to PF & ESI etc. | 2.40 | 2.36 |
| Other Payments | <u>7.70</u> | <u>3.54</u> |
| | <u>30.37</u> | <u>26.54</u> |
| 17. DEPRICIATION & AMORTISATION EXPS | | |
| Deprication | 2.06 | 1.93 |
| | <u>2.06</u> | <u>1.93</u> |
| 18. OTHER EXPENSES | | |
| (a) Manufacturing Expenses | | |
| Freight & Cartage | 1.36 | 0.36 |
| Consumable Store | 5.34 | 1.30 |
| Power & Electricity | 5.77 | 4.10 |
| Machinery Repair | <u>1.35</u> | <u>-</u> |
| | <u>13.82</u> | <u>5.76</u> |
| (b) Administration, Selling & Other Expenses | | |
| Advertisement | 0.33 | 0.59 |
| Auditors' Remuneration | 0.30 | 0.30 |
| Donation | 0.21 | 0.11 |
| Fees & Taxes | 0.21 | 0.19 |
| General Expenses | 0.26 | 0.38 |
| Printing & Stationery | 0.10 | 0.06 |
| Rent | 0.06 | 0.06 |
| Repair & Replacements | 0.31 | 0.25 |
| Telephone Expenses | 0.07 | 0.08 |
| Travelling & Conveyance | 0.37 | 0.35 |
| License fees | 0.06 | 0.03 |
| Bank Charges | 0.01 | - |
| Computer Expenses | - | 0.04 |
| Water & Sewarge Exp | <u>0.30</u> | <u>0.30</u> |
| | <u>2.61</u> | <u>2.74</u> |
| 19. EARNING PER SHARE | | |
| Profit After Tax (in ₹) | 1,34,857.04 | (6,92,241.27) |
| No. of Shares | 230640 | 230640 |
| Earning Per Share (Basic & Diluted) | 0.58 | (3.00) |

Scott Industries Limited, Phagwara

BOARD OF DIRECTORS

Sh. K.K. Sardana
Sh. V.K. Suri
Sh. Dhiraj Sardana
Sh. Bhavdeep Sardana

AUDITORS

M/s N.K. Gaba & Co.
Chartered Accountants
Railway Road, Phagwara.

REGISTERED OFFICE

Sukhjait Road,
Phagwara-144 401.
Distt. Kapurthala (Pb.)

DIRECTORS' REPORT

Dear Share Holders:

Your Directors are pleased to present before you the 22nd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE

The company has shut down its operations owing to huge losses over the years. Most of its assets have been disposed off and efforts are on to realize the dues from its customers.

2. DIVIDEND

In view of losses suffered by the company, the Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019.

3. 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, 2019, the applicable Indian 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, 2019 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.

4. DIRECTORS

Sh. I.K. Sardana our worthy director left for heavenly abode on 30.04.2019. The company acknowledge with gratitude his long association with the company and his guiding force to the company. The Board of Directors, Management and Staff expressed their deep sense of sorrow and grief at losing the epitome of ethics and the custodian of great human values.

Sh. K.K. Sardana retires by rotation and being eligible, the Board recommends his appointment.

The Board has co-opted SH. Dhiraj Sardana and Sh. Bhavdeep Sardana an additional directors of the Company w.e.f. 15.05.2019 and 24.05.2019 respectively to hold office till the conclusion of the ensuing Annual General Meeting of the company. Both of them have vast commercial and administrative experience running over 20 years to their credit. Board has recommended their appointment as Non-Executive Directors of the Company.

5. 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 management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

6. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors or their Relatives which could have potential conflict with the interest of the Company.

7. MEETINGS OF THE BOARD

The Board of Directors held four meetings during the year under reference.

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

The Company has neither given any loan / Guarantee nor made any Investment / provide any Security.

9. EXTRACT OF ANNUAL RETURN

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

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

(a) **Conservation of Energy** :Your company continues to put in its efforts to conserve energy under Energy Conservation Programme and through better utilization of equipment and proper production planning.

(b) **Technical arrangements** : The company has not entered into any technical (Foreign or indigenous) collaboration arrangement. It has not incurred any expenditure for acquiring any technical know-how either indigenous or foreign.

| (c) Foreign Exchange Earnings & Outgo | 2018-2019 (₹ lacs) | 2017-2018 (₹ lacs) |
|---|-----------------------|-----------------------|
| 1. Foreign Exchange Earnings on Exports | - | - |
| 2. Foreign Exchange used on account of | | |
| (i) Foreign Travel | - | - |
| (ii) CIF Value of Imports- | - | - |
| Capital Goods | - | - |
| Raw Material & Consumables | - | - |

(d) **Particulars of Employees** : There had been no employee with the company who was in receipt of remuneration in aggregate of not less than ₹ 1,02,00,000/- p.a. or ₹ 8,50,000/- p.m. if employed for a part of the year.

11. GENERAL DISCLOSURE

- (i) The Company has not accepted/ renewed any deposits during the year under reference.
- (ii) No shares have been issued with differential rights as to dividend, voting or otherwise.
- (iii) There is no significant and material order passed by any regulator, court, tribunal which may impact the going concern status of the Company and Company's operations in future.
- (iv) There is no change in the nature of company's business during the year under review.
- (v) There was no instance of fraud during the year under reference, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made thereunder.

12. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors:

M/s N.K. Gaba & Co., Chartered Accountants, The retiring Auditors of the company, have confirmed their eligibility to be re-appointed as statutory auditors of the company at ensuing Annual General Meeting. The board of Directors recommends the re-appoint of M/s N.K. Gaba & Co. 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 given by M/s. N.K. Gaba & Co., Chartered Accountants, does not have any qualification, reservation or adverse remark.

13. 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/-
V.K. Suri
Director

Place : Phagwara
Dated : 24th May, 2019

ANNEXURE 'A'

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

as on financial year ended on 31.03.2019

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 | U18101PB1997PLC020568 |
| ii. | Registration Date | 08-10-1997 |
| iii. | Name of the Company | SCOTT INDUSTRIES LIMITED |
| iv. | Category/Sub-category of the Company | COMPANY LIMITED BY SHARES |
| v. | Address of the Registered office & contact details | Sukhjrit Road, Phagwara, Distt. Kapurthala, 144401, INDIA |
| vi. | Whether listed company | No |
| vii. | Name , Address & contact details of the Registrar & Transfer Agent, if any. | NA |

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 | Readymade Garments | 1410 |

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 | Sukhjrit Starch & Chemicals Limited | L15321PB1944PLC001925 | Holding | 99.97 | SEC 2(87) |

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 (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year | |
|--|--|-----------|-----------|-------------------|--|-----------|-----------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| Promoters | | | | | | | | | | |
| (1) Indian | - | 1,400 | 1,400 | 0.03 | - | 1,400 | 1,400 | 0.03 | - | - |
| a) Individual/HUF | | | | | | | | | | |
| b) Central Govt. or State Govt. | | | | | | | | | | |
| c) Bodies Corporates | - | 4,400,000 | 4,400,000 | 99.97 | -- | 4,400,000 | 4,400,000 | 99.97 | - | - |
| d) Bank/FI | | | | | | | | | | |
| e) Any other | | | | | | | | | | |
| Total Shareholding of Promoters | - | 4,401,400 | 4,401,400 | 100.00 | - | 4,401,400 | 4,401,400 | 100.00 | - | - |
| Grand Total | - | 4,401,400 | 4,401,400 | 100.00 | - | 4,401,400 | 4,401,400 | 100.00 | - | - |

Scott Industries Limited, Phagwara

(V) SHARE HOLDING OF PROMOTERS

| S.No. | Shareholders Name | Shareholding at the beginning of the year (01.04.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % 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 | |
| Individual | | | | | | | | |
| 1 | I K Sardana | 200 | 0.005 | 0 | 200 | 0.005 | 0 | - |
| 2 | K K Sardana | 200 | 0.005 | 0 | 200 | 0.005 | 0 | - |
| 3 | M G Sharma | 200 | 0.005 | 0 | 200 | 0.005 | 0 | - |
| 4 | V K Suri | 400 | 0.01 | 0 | 400 | 0.010 | 0 | - |
| 5 | Rakesh Chawla | 200 | 0.005 | 0 | 200 | 0.005 | 0 | - |
| 6 | M V Ram Gopal | 200 | 0.005 | 0 | 200 | 0.005 | 0 | - |
| | | 1400 | 0.035 | 0 | 1400 | 0.035 | 0 | - |
| BODIES CORPORATES | | | | | | | | |
| 1 | SUKHJIT STARCH & CHEMICALS LIMITED | 4400000 | 99.965 | 0 | 4400000 | 99.965 | 0 | - |
| | | 4400000 | 99.965 | | 4400000 | 99.965 | 0 | - |
| | | | | | | | | |
| | Total | 4401400 | 100 | 0 | 4401400 | 100 | 0 | - |

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

| S.No. | Promoters | Shareholding at the beginning of the year (01.04.2018) / End of year (31.03.2019) | | 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 |
| There is no change during the year under reference in the Promoter's shareholding. | | | | | | | | |

(VII) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs) Not Applicable

(VIII) Shareholding of Directors & KMP

| S.No. | Promoters | Shareholding at the beginning of the year (01.04.2018) / End of year (31.03.2019) | | 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 | I K Sardana | 200 | 0.005 | 01.04.2018 | | | | |
| | (Director) | | | | NIL | No Change | | |
| | | 200 | 0.005 | 31.03.2019 | | | 200 | 0.005 |
| 2 | K K Sardana | 200 | 0.005 | 01.04.2018 | | | | |
| | (Director) | | | | NIL | No Change | | |
| | | 200 | 0.005 | 31.03.2019 | | | 200 | 0.005 |
| 3 | V.K. Suri | 200 | 0.005 | 01.04.2018 | | | 400 | |
| | (Director) | | | | NIL | No Change | | |
| | | 400 | 0.010 | 31.03.2019 | | | 400 | 0.010 |

Scott Industries Limited, Phagwara

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 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

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 | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961. | | | | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| 2 | Commission (as % of profit) | | | | |
| 3 | Others (Retirement Benefits) | | | | |
| | Total (A) | | | | |
| | Ceiling as per the Act | | | | |

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

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

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 | | | | | |

INDEPENDENT AUDITORS' REPORT

To
The Members of
Scott Industries Limited,
Phagwara.

We have audited the accompanying Standalone Financial Statements of SCOTT INDUSTRIES LIMITED which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit & Loss, Cash Flow Statement and Statement of Changes in Equity for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 Indian 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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. An audit also includes evaluating the appropriateness of the 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 Financial Statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of Balance Sheet, of the State of affairs of the Company as at 31st March 2019;
- (ii) in the case of Profit & Loss Statement, of the Loss of the company for the year ended on that date;
- (iii) in the case of Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date; and
- (iv) of the Statement of Changes in Equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we enclose in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (a) We have obtained all the information as required and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
- (c) The Balance Sheet, Profit & Loss Statement, Cash Flow Statement and Statement of Changes in Equity referred to in this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors, as on 31st March 2019, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

For N.K. GABA & CO.

Chartered Accountants,

Firm Registration Number 003684N

Sd/-

(N.K. GABA)

Partner

Memb. No. 82375

Place : Phagwara

Dated : 24th May, 2019

Annexure 'A' to the Independent Auditor's Report

The Annexure referred to in the Auditors' Report to the members of SCOTT INDUSTRIES LIMITED for the year ended 31st March 2019. We report that:

1. The Company has maintained records showing quantitative details of Fixed Assets. The physical verification of Fixed Assets is done by the management at reasonable intervals. The company during the year has not disposed off any Fixed Asset, affecting its going concern status. The Title Deeds of the immovable property are held in the name of the Company.
2. As explained to us, The management of the Company has conducted physical verification of inventory at regular intervals and no material discrepancies were noticed on physical verification.

The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

3. The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013.
7. According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company is regular in depositing undisputed statutory dues including Provident Fund, ESI, Investor Education and Protection Fund, Sales-tax, Wealth tax, Service Tax, Income Tax, Customs duty, VAT, etc.

According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Service Tax, Excise and Wealth tax which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, government and debenture holders.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

Scott Industries Limited, Phagwara

10. According to the information and explanations given to us, no fraud by the Company or fraud on the Company by its officers or employees, has been noticed or reported during the course of our audit.
11. The Company has not paid any managerial remuneration.
12. The Company is not a Nidhi Company.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable indian accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The Company has not entered into any non-cash transactions with directors or persons connected with them.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For N.K. Gaba & Co.

Chartered Accountants

Firm Registration Number 003684N

Sd/-

(N.K. Gaba)

Partner

Memb. No. 82375

Place : Phagwara

Dated : 24th May, 2019

Scott Industries Limited, Phagwara

BALANCE SHEET AS ON 31ST MARCH, 2019

| | NOTE | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|-----------------------------------|------|-----------------------------|-----------------------------|
| ASSETS | | | |
| 1. NON CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 1 | <u>45.69</u> | <u>45.69</u> |
| | | 45.69 | 45.69 |
| 2. CURRENT ASSETS | | | |
| (a) Inventories | | | |
| (b) Financial Assets | | | |
| (i) Trade Receivables | 2 | 82.53 | 103.16 |
| (ii) Cash & Cash Equivalents | 3 | 2.38 | 2.60 |
| (iii) Loans & advances | 4 | — | — |
| | | <u>84.91</u> | <u>105.76</u> |
| Total Assets | | <u><u>130.60</u></u> | <u><u>151.45</u></u> |
| EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| (a) Equity Share Capital | 5 | 440.14 | 440.14 |
| (b) Other Equity | 6 | <u>(521.28)</u> | <u>(500.16)</u> |
| | | (81.14) | (60.02) |
| 2. LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 7 | 0.26 | 0.19 |
| (b) Other Current Liabilities | 8 | <u>211.48</u> | <u>211.28</u> |
| | | <u>211.74</u> | <u>211.47</u> |
| TOTAL | | <u><u>130.60</u></u> | <u><u>151.45</u></u> |

The accompanying notes are intergal part of these financial statements

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

KK Sardana
(DIN 00398376)

V.K. Suri
(DIN 0706442)

Place : Phagwara
Dated : 24th May, 2019

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| | NOTE | FOR THE YEAR ENDED 31.03.2019 (₹ LACS) | | FOR THE YEAR ENDED 31.03.2018 (₹ LACS) | |
|---|------|--|--------------|--|--------------|
| 1. Revenue From Operations | 9 | - | - | - | - |
| 2. Other Income | 10 | - | - | 2.68 | 2.68 |
| Total Revenue | | - | - | 2.68 | 2.68 |
| 3. Expenses | | | | | |
| Employees Benefits Exps. | 11 | 0.07 | | 0.06 | |
| Depreciation & Amortisation | 12 | - | | - | |
| Other Expenses | 13 | 21.06 | 21.13 | 28.49 | 28.55 |
| Total Expenses | | | 21.13 | | 28.55 |
| 4. Profit Before Exceptional Items and Tax (1-2) | | | (21.13) | | (25.86) |
| Exceptional Items | | - | - | - | - |
| 5. Profit/Loss Before Tax | | | (21.13) | | (25.86) |
| 6. Provision for Tax | | | | | |
| Current Tax | | - | - | - | - |
| Deferred Tax | | - | - | - | - |
| 7. Profit/Loss for the periods from Continuing Operation | | | (21.13) | | (25.86) |
| 8. Profit/Loss from Discontinued Operations | | | - | | - |
| 9. Profit/Loss for the Period | | | (21.13) | | (25.86) |
| 10. Other Comprehensive Income | | | - | | - |
| 11. Total Comprehensive Income | | | (21.13) | | (25.86) |
| 12. Earnings Per Share | 14 | | | | |
| (i) Basic | | | - | | - |
| (ii) Diluted | | | - | | - |
| Profit brought forward | | | (500.16) | | (474.30) |
| Add : Current Year Profit | | | (21.13) | | (25.86) |
| Income Tax Refund | | | - | | - |
| Bal. carried over to B/S | | | (521.28) | | (500.16) |

The accompanying notes are intergal part of these financial statements

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

KK Sardana
(DIN 00398376)

V.K. Suri
(DIN 0706442)

Place : Phagwara
Dated : 24th May, 2019

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

(₹ LACS)

A. EQUITY SHARE CAPITAL

| Bal at beginning of reporting period, i.e. 1st April, 2017 | Changes in Equity Share Capital during 2017-18 | Balance at end of reporting period, i.e. 31st March 2018 | Changes in Equity Share Capital during 2018-19 | Balance at end of reporting period, i.e. 31st March 2019 |
|--|--|--|--|--|
| 440.14 | - | 440.14 | - | 440.14 |

B. OTHER EQUITY

| | Bal at beginning of reporting period, i.e. 1st April, 2017 | Total Comprehensive income of year | Dividend | Tax on Dividend | Balance at end of reporting period, i.e. 31st March 2018 |
|------------------------------|--|------------------------------------|----------|-----------------|--|
| As at 31st March 2018 | | | | | |
| Reserve & Surplus | | | | | |
| Capital Reserve | - | - | - | - | - |
| General Reserve | - | - | - | - | - |
| Profit & Loss Account | (474.29) | (25.86) | - | - | (500.15) |
| Total | (474.29) | (25.86) | - | - | (500.15) |

| | Bal at beginning of reporting period, i.e. 1st April, 2018 | Total Comprehensive income of year | Dividend | Tax on Dividend | Balance at end of reporting period, i.e. 31st March 2019 |
|------------------------------|--|------------------------------------|----------|-----------------|--|
| As at 31st March 2019 | | | | | |
| Reserve & Surplus | | | | | |
| Capital Reserve | - | - | - | - | - |
| General Reserve | - | - | - | - | - |
| Profit & Loss Account | (500.15) | (21.13) | - | - | (521.28) |
| Total | (500.15) | (21.13) | - | - | (521.28) |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

KK Sardana
(DIN 00398376)

V.K. Suri
(DIN 0706442)

Place : Phagwara
Dated : 24th May, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| | For the Year Ended 31st March, 2019 (₹ lacs) | For the Year Ended 31st March, 2018 (₹ lacs) |
|---|--|--|
| A. NET PROFIT BEFORE TAX | (21.13) | (25.86) |
| Adjustments for | | |
| Depreciation less Depreciation w/back | - | - |
| Operating Profit before Working | | |
| Capital Changes (A) | <u>(21.13)</u> | <u>(25.86)</u> |
| Adjustments for | | |
| Receivables | 20.63 | 20.63 |
| Inventories | - | 6.97 |
| Current Assets | - | - |
| Current Liabilities (B) | <u>0.27</u> | <u>(1.75)</u> |
| Cash Generated from Operations (A-B) | <u>20.90</u> | <u>25.85</u> |
| Income Tax & FBT for the period | (0.22) | (0.01) |
| | - | - |
| NET CASH FROM OPERATING ACTIVITIES (C) | <u>(0.22)</u> | <u>(0.01)</u> |
| CASH FROM FINANCING & INVESTING ACTIVITIES | | |
| Increase/Decrease in Fixed assets | - | - |
| Increase/Decrease in Security Deposits | - | - |
| Increase/Decrease in Share Capital | - | - |
| Increase/Decrease in Reserve & Surplus | - | - |
| NET CASH FROM FINANCING & INVESTING ACTIVITIES (D) | <u>-</u> | <u>-</u> |
| Net increase in Cash and Cash Equivalents (C+D) | (0.22) | (0.01) |
| Opening Cash and Cash Equivalents | 2.60 | 2.61 |
| Closing Cash and Cash Equivalents | <u>2.38</u> | <u>2.60</u> |

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.
Chartered Accountants,
Firm Registration Number 003684N
Sd/-
(N.K. Gaba)
Partner
Memb. No. 82375

For and On behalf of the Board

KK Sardana
(DIN 00398376)

V.K. Suri
(DIN 0706442)

Place : Phagwara
Dated : 24th May, 2019

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2019

15. SIGNIFICANT ACCOUNTING POLICIES

(a) Method of Accounting

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

(b) Inventory

Inventories are valued at cost or net realizable value, whichever is less.

(c) Depreciation

Depreciation is provided on Straight Line Method, Calculated as per the useful life provided under Companies Act, 2013.

(d) Fixed Assets

Fixed assets are stated at Original cost including duties, taxes, freight and any other incidental acquisition expenses and revenue expenditure incurred for the period prior to commercial production is considered as a part of the cost of assets.

16. Foreign Currency Transactions

No foreign currency transaction made by the company during the year.

17. RELATED PARTY DISCLOSURES

(a) Party which significantly influence the Company :

M/S THE SUKHJIT STARCH & CHEMICALS LTD. PHAGWARA (HOLDING COMPANY)

(b) Parties which are significantly influenced by the Company : NIL

(c) No payments made to related party during the current year or the previous year.

18. Previous Year's figures have been rearranged and regrouped wherever necessary.

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

FIXED ASSETS AS ON MARCH 31, 2019

(₹ LACS)

| Particulars | GROSS BLOCK | | | DEPRECIATION BLOCK | | | NET BLOCK | |
|---------------|------------------------|-----------|------------------------|--------------------|-----------------|--------------------|--------------------|--------------------|
| | Cost As on 1.4.2018 | Additions | Cost As on 31.03.19 | Upto 31.03.2018 | For the Year | Upto 31.03.2019 | As on 31.3.2019 | As on 31.3.2018 |
| Land | 44.17 | - | 44.17 | - | -- | - | 44.17 | 44.17 |
| Tubewell | 30.49 | - | 30.49 | 28.96 | -- | 28.96 | 1.52 | 1.52 |
| Total | 74.66 | -- | 74.66 | 28.96 | -- | 28.96 | 45.69 | 45.69 |
| Previous Year | 74.66 | | 74.66 | 20.07 | -- | 28.96 | 45.69 | 54.59 |

NOTE : 1

For and On behalf of the Board

Auditors' Report
As per our separate report of even date
For N.K. Gaba & Co.

Chartered Accountants,
Firm Registration Number 003684N
Sd/-

(N.K. Gaba)
Partner
Memb. No. 82375

KK Sardana
(DIN 00398376)

V.K. Suri
(DIN 0706442)

Place : Phagwara
Dated : 24th May, 2019

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|--|-----------------------------|-----------------------------|
| 2. TRADE RECEIVABLES | | |
| Considered doubtful | 206.32 | 206.32 |
| Less : Provision for Bad debts | (123.79) | (103.16) |
| | <u>82.53</u> | <u>(103.16)</u> |
| 3. CASH & CASH EQUIVALENTS | | |
| Cash in Hand | 0.01 | 0.01 |
| Balance with Scheduled Banks in Current | 2.37 | 2.59 |
| | <u>2.38</u> | <u>2.60</u> |
| 4. SHORT TERM LOANS & ADVANCES | | |
| Income Tax | - | - |
| Other Taxes | - | - |
| | <u>-</u> | <u>-</u> |
| 5. EQUITY SHARE CAPITAL | | |
| AUTHORISED | | |
| 50,00,000 Equity Shares of ₹ 10/- each each fully paid | 500.00 | 500.00 |
| ISSUED, SUBSCRIBED & PAID UP | | |
| 4401400 Equity Shares of ₹ 10/- each fully paid (4401400 Equity shares held by Holding Co.) | 440.14 | 440.14 |
| | <u>440.14</u> | <u>440.14</u> |
| 6. OTHER EQUITY | | |
| Profit & Loss Account | (521.28) | (500.16) |
| | <u>(521.28)</u> | <u>(500.16)</u> |
| 7. TRADE PAYABLES | | |
| Trade payable for Expenses | 0.26 | 0.19 |
| | <u>0.26</u> | <u>0.19</u> |
| 8. OTHER CURRENT LIABILITIES | | |
| Other Advances | 211.48 | 211.28 |
| | <u>211.48</u> | <u>211.28</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019

| | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|---|-----------------------------|-----------------------------|
| 9. REVENUE FROM OPERATIONS | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| 10. OTHER INCOME | | |
| Other Income | - | 2.68 |
| | <u>-</u> | <u>2.68</u> |
| | <u>-</u> | <u>2.68</u> |
| 11. EMPLOYEES BENEFITS EXPENSES | | |
| Salary & Wages | 0.07 | 0.06 |
| | <u>0.07</u> | <u>0.06</u> |
| | <u>0.07</u> | <u>0.06</u> |
| 12. DEPRICIATION & AMORTISATION EXPS | | |
| Depreciation | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| 13. OTHER EXPENSES | | |
| (a) Manufacturing Expenses | - | - |
| | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> |
| (b) Administration, Selling & Other Expenses | | |
| Postage, Telegram and Telephone | 0.04 | 0.04 |
| Fees, Taxes and Registration | 0.10 | 0.03 |
| Legal & Professional | 0.22 | 0.75 |
| Audit Fees | 0.06 | 0.06 |
| Bank Charges | - | 0.01 |
| Balances written off | - | 6.97 |
| Provision for Doubtful Debts | 20.63 | 20.63 |
| | <u>21.06</u> | <u>28.49</u> |
| | <u>21.06</u> | <u>28.49</u> |
| 14. EARNING PER SHARE | | |
| Profit After Tax (in ₹) | (21,12,596.34) | (25,86,053.00) |
| No. of Shares | 4401400 | 4401400 |
| Earning Per Share (Basic & Diluted) | (0.48) | (0.59) |

Sukhjit Mega Food Park & Infra Limited, Phagwara

BOARD OF DIRECTORS

Sh. K.K. Sardana
Sh. Dhiraj Sardana
Sh. Bhavdeep Sardana

AUDITORS

M/s Manchanda & Co.
Chartered Accountants
Railway Road, Phagwara.

REGISTERED OFFICE

Sarai Road,
Phagwara-144 401.
Distt. Kapurthala (Pb.)

DIRECTORS' REPORT

Dear Share Holders:

Your Directors are pleased to present before you the 4th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2019 :

1. FINANCIAL PERFORMANCE

The company has been incorporated as an SPV for setting up a Mega Food Park in Punjab, approved by the Ministry of Food Processing Industries (MoFPI), Govt. of India, New Delhi under its Mega Food Park Scheme. The on site work of the project is going on as per the schedule and the project is expected to be commissioned in the 3rd quarter of F.Y. 2019-20.

2. DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March, 2019.

3. SHARE CAPITAL

The company has not issued any shares during the year under reference.

4. 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, 2019, the applicable Indian 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, 2019 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.

5. DIRECTORS

- (i) Sh. I.K. Sardana, our worthy Managing Director left for heavenly abode on 30.04.2019. The Company acknowledge with gratitude the guidance provided by Sh. I.K. Sardana during his association with the Company. The Board of Directors, Management and staff expressed their deep sense of sorrow and grief at losing the epitome of ethics and the custodian of great human values.
- (ii) Since our worthy Managing Director Sh. I.K. Sardana passed away on 30.04.2019, your Directors, subject to the approval of the shareholders in the General Meeting, have appointed Shri K.K. Sardana as Managing Director of the Company for a further period of 5 years with effect from 1st May, 2019.

- (iii) The company co-opted Sh. Sibin C., I.A.S. as Nominee Director after his joining as Mission Director, Department of Food Processing Industries, Government of Punjab in place of Sh. Vikas Garg I.A.S. Thereafter, Sh. Gagandip Singh was co-opted as Nominee Director in place of Sh. Sibin C. due to his joining the Department of Food Processing Industries, Government of Punjab as Mission Director in place of Sh. Sibin C.

The appointment(s) have been made as per the guidelines of Ministry of Food Processing industries, Government of India. The Board has recommended his appointment as Nominee Director.

- (iv) The Board has co-opted Sh. Tarsem Singh Lally, Sh. Vikas Uppal and Sh. Ajit Singh as Additional Independent Directors on 22.10.2018. They will hold office till the conclusion of the ensuing Annual General Meeting and Board has recommended their appointment as Independent Non-Executive Directors of the Company. The independent directors have rich experience in the manufacturing, business administration, management and commercial fields. Their induction on the board will further strengthen the composition of the Board.

The Company has received declarations from them confirming that they meet the criteria of independence and comply with all the requirements prescribed under subsection (6) of Section 149 of the Companies Act, 2013.

- (v) Based on evaluation criteria laid down under the Nomination and Remuneration Policy of the Company, framed in accordance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee rates the performance of the board and its committees which, inter-alia, includes evaluation of leadership abilities, contribution to corporate objectives & plans, regular monitoring, effective decision making ability, attendance and contribution at Board and Committee meetings etc. The committee has in place a suitable policy for the appointment & remuneration of the Directors/ KMPs. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

5. 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 management reviews the systems periodically to systematically improve business processes in regard to their effectiveness and efficiency.

6. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors or their Relatives which could have potential conflict with the interest of the Company.

7. MEETINGS OF THE BOARD

The Board of Directors held seven meetings during the year under reference.

8. COMMITTEES OF THE BOARD

The Board has constituted Audit Committee of the Company with Sh. Tarsem Singh Lally as Chairman and Sh. Vikas Uppal, Sh. Ajit Singh and Sh. K.K. Sardana as its members. All the recommendations made by the Audit Committee were accepted by the Board. The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under section 177 of the Companies Act, 2013.

The Board has also constituted Nomination & Remuneration Committee of the Company with Sh. Vikas Uppal as Chairman and Sh. Ajit Singh and Sh. K.K. Sardana as its members. All the recommendations made by the Nomination & Remuneration Committee were accepted by the Board. The role of the committee covers areas mentioned under section 178 of the Companies Act, 2013.

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

The Company has neither given any loan / Guarantee nor made any Investment / provide any Security.

10. EXTRACT OF ANNUAL RETURN

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

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

(a) **Conservation of Energy** : Your company will put in its efforts to conserve energy under Energy Conservation Programme and through better utilization of equipment.

(b) **Technical arrangements** : The company has not yet entered into any technical (Foreign or indigenous) collaboration arrangement. It has not incurred any expenditure for acquiring any technical know-how either indigenous or foreign.

| (c) Foreign Exchange Earnings & Outgo | 2018-2019 | 2017-2018 |
|--|------------------|------------------|
| | (₹ lacs) | (₹ lacs) |
| 1. Foreign Exchange Earnings on Exports | - | - |
| 2. Foreign Exchange used on account of | | |
| (i) Foreign Travel | - | - |
| (ii) CIF Value of Imports- | - | - |
| Capital Goods | - | - |
| Raw Material & Consumables | - | - |

(d) **Particulars of Employees:** There had been no employee with the company who was in receipt of remuneration in aggregate of not less than ₹ 1,02,00,000/- p.a. or ₹ 8,50,000/- p.m. if employed for a part of the year.

11. GENERAL DISCLOSURE

- (i) The Company has not accepted/ renewed any deposits during the year under reference.
- (ii) No shares have been issued with differential rights as to dividend, voting or otherwise.
- (iii) There is no significant and material order passed by any regulator, court, tribunal which may impact the going concern status of the Company and Company's operations in future.
- (iv) There is no change in the nature of company's business during the year under review.
- (v) There was no instance of fraud during the year under reference, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules made thereunder.
- (vi) The Board has constituted an Internal Committee for redressal of grievance / complaint (if any) under "Sexual Harassment of Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013." The committee has not received any complaint during the year under reference.

12. AUDITORS AND AUDITOR'S REPORT

Statutory Auditors:

M/s. Manchanda & 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 recommends the re-appointment of M/s. Manchanda & 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.

13. ACKNOWLEDGEMENT

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

Yours truly,
For and on behalf of the Board,
Sd/-
K.K. Sardana
Chairman

Place : Phagwara
Dated : 24th May, 2019

Sukhjit Mega Food Park & Infra Limited, Phagwara

ANNEXURE 'A'

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

as on financial year ended on 31.03.2019

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 | U45209PB2015PLC039547 |
| ii. | Registration Date | 17-06-2015 |
| iii. | Name of the Company | SUKHJIT MEGA FOOD PARK & INFRA 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 | No |
| vii. | Name , Address & contact details of the Registrar & Transfer Agent, if any. | NA |

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 | Renting and Leasing of other machinery, equipment and tangible goods n.e.c. | 773 |

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

| S.No | Name & Address of the Company | CIN/GLN | HOLDING/ SUBSIDIARY/ ASSOCIATE | % OF SHARES HELD | APPLICABLE SECTION |
|------|------------------------------------|-----------------------|--------------------------------------|------------------------|-----------------------|
| 1 | Sukhjit Starch & Chemicals Limited | L15321PB1944PLC001925 | Holding | 100% | SEC 2(87) |

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 (01.04.2018) | | | | No. of Shares held at the end of the year (31.03.2019) | | | | % change during the year | |
|--|--|------------|------------|-------------------|--|------------|------------|-------------------|--------------------------|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | | |
| Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | - | 3,500 | 3,500 | 0.03 | - | 3,500 | 3,500 | 0.03 | - | - |
| b) Central Govt. or State Govt. | | | | | | | | | | |
| c) Bodies Corporates | - | 12,038,500 | 12,038,500 | 99.97 | - | 12,038,500 | 12,038,500 | 99.97 | - | - |
| d) Bank/FI | | | | | | | | | | |
| e) Any other | | | | | | | | | | |
| Total Shareholding of Promoters | - | 12,042,000 | 12,042,000 | 100 | - | 12,042,000 | 12,042,000 | 100 | - | - |
| Grand Total | - | 12,042,000 | 12,042,000 | 100 | - | 12,042,000 | 12,042,000 | 100 | - | - |

Sukhjit Mega Food Park & Infra Limited, Phagwara

(V) SHARE HOLDING OF PROMOTERS

| S.No. | Shareholders Name | Shareholding at the beginning of the year (01.04.2018) | | | Shareholding at the end of the year (31.03.2019) | | | % 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 | |
| Individual | | | | | | | | |
| 1 | K K Sardana | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 2 | Dhiraj Sardana | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 3 | Bhavdeep sardana | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 4 | Puneet Sardana | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 5 | Pankaj Sardana | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 6 | Vijay Kumar Suri | 500 | 0.004 | - | 500 | 0.004 | - | - |
| 7 | Amandeep Setia | 500 | 0.004 | - | 500 | 0.004 | - | - |
| | | 3,500 * | 0.03 | - | 3,500 | 0.03 | - | - |
| BODIES CORPORATES | | | | | | | | |
| 1 | SUKHJIT STARCH & CHEMICALS LIMITED | 12,038,500 | 99.97 | 0 | 12,038,500 | 99.97 | 0 | - |
| | | 12,038,500 | 99.97 | 0 | 12,038,500 | 99.97 | 0 | - |
| | Total | 12,042,000 | 100 | 0 | 12,042,000 | 100 | 0 | - |

* The above persons are the registered owners of the company and The Sukhjit Starch & Chemicals Limited is the Beneficial Owner of these 3500 shares.

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

There is no change in the Promoters shareholding during the year under reference.

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

Not Applicable

(VIII) Shareholding of Directors & KMP

| S.No. | Promoters | Shareholding at the beginning of the year (01.04.2018) /End of year (31.03.2019) | | 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 | I K sardana (Director) | - | - | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | - | - |
| 2 | K K Sardana (Director) | 500 | 0.004 | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | 500 | 0.004 |
| 3 | Dhiraj sardana (Director) | 500 | 0.004 | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | 500 | 0.004 |
| 4 | Bhavdeep Sardana (Director) | 500 | 0.004 | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | 500 | 0.004 |
| 5 | Tarsem Singh Lally (Director) | - | - | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | - | - |
| 6 | Vikas Uppal (Director) | - | - | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | - | - |
| 7 | Ajit Singh (Director) | - | - | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | - | - |
| 8 | Gaggandip Singh (Director) | - | - | 01.04.2018 | | | | |
| | | | | 31.03.2019 | NIL | No change | - | - |

Sukhjit Mega Food Park & Infra Limited, Phagwara

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 | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |
| Change in Indebtedness during the financial year | | | | |
| Additions | - | - | - | - |
| Reduction | - | - | - | - |
| Net Change | | | | |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

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 | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961. | | | | |
| | (b) Value of perquisites u/s 17(2) of the Income tax Act, 1961 | | | | |
| 2 | Commission (as % of profit) | | | | |
| 3 | Others (Retirement Benefits) | | | | |
| | Total (A) | | | | |
| | Ceiling as per the Act | | | | |

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

| S.No. | Particulars of Remuneration | Key Managerial Personnel | | |
|-------|--|--------------------------|-------------------|--------------|
| | | CFO | Company Secretary | Total |
| 1 | Gross Salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961. | 6.19 | 3.68 | 9.87 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | - | - | - |
| 2 | Others (Retirement Benefits) | 0.48 | - | 0.48 |
| | Total | 6.67 | 3.68 | 10.35 |

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 | | | | | |

INDEPENDENT AUDITORS' REPORT

To

The Members of

Sukhjit Mega Food Park & Infra Limited,

Phagwara.

We have audited the accompanying financial statements of Sukhjit Mega Food Park & Infra Limited (the Company) which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss for the year then ended, the Statement of Cash Flows Statement of Change in Equity and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 misstatement.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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 misstatement.

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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Sukhjit Mega Food Park & Infra Limited, Phagwara

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

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- (b) in the case of the Statement of Profit & Loss, of the loss of the Company for the year ended on that date;
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- (d) of the Statement of changes in Equity for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by section 143(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards / Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - (e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164(2) of the Act.
2. As required by the Companies (Audit and Auditors) Rules, 2014, regarding Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, we report that the company does not have a system of Internal Financial Control System since it has not entered into any significant financial transactions during the year.
3. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, a report on the matters specified in paragraphs 3 and 4 of the Order are in Annexure A.

For MANCHANDA & COMPANY

Chartered Accountants,

Firm Registration Number 001678N

Sd/-

(RAHUL MANCHANDA)

Partner

Place : Phagwara

Dated : 24th May, 2019

Memb. No. 098558

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 3 under the heading of 'report on other legal and regulatory requirements' of our report of even date :

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
(c) According to the information and explanations given to us, the company does not have any freehold property. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. The Company has not held any inventory during the year under audit, nor it has carried out any turnover.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposits from the shareholders or public during the year.
6. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
7. According to the information and explanations given to us, in respect of statutory dues:
(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, GST and other material statutory dues applicable to it to the appropriate authorities.
(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, GST and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

Sukhjit Mega Food Park & Infra Limited, Phagwara

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
11. The Company has not paid managerial remuneration.
12. The Company is not a Nidhi Company.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him.
15. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For Manchanda & Company

Chartered Accountants

Firm Registration Number 001678N

Sd/-

(Rahul Manchanda)

Partner

Memb. No. 098558

Place : Phagwara

Dated : 24th May, 2019

Sukhjit Mega Food Park & Infra Limited, Phagwara

BALANCE SHEET AS ON 31ST MARCH, 2019

| | NOTE | AS ON 31.3.2019 (₹ LACS) | AS ON 31.3.2018 (₹ LACS) |
|--|------|-----------------------------|-----------------------------|
| ASSETS | | | |
| 1. NON CURRENT ASSETS | | | |
| (a) Property, Plant and Equipment | 3 | 922.44 | 2.32 |
| (b) Capital Work-in-progress | 3 | 6,065.10 | 1,806.40 |
| (c) Deferred Tax Asset (net) | 4 | – | 8.20 |
| (d) Other Non Current Assets | 5 | <u>5.17</u> | <u>–</u> |
| | | 6,992.71 | 1,816.92 |
| 2. CURRENT ASSETS | | | |
| (a) Inventories | | – | – |
| (b) Financial Assets | | | |
| (i) Cash & Cash Equivalents | 6 | 504.08 | 1,028.21 |
| (ii) Bank Balance other than (i) above | | – | – |
| (c) Current Tax Assets (net) | | – | – |
| (d) Other Current Assets | 7 | <u>365.24</u> | <u>10.73</u> |
| | | 869.32 | 1,038.94 |
| Total Assets | | <u>7,862.03</u> | <u>2,855.86</u> |
| EQUITY AND LIABILITIES | | | |
| 1. EQUITY | | | |
| (a) Equity Share Capital | 8 | 1,204.20 | 1,204.20 |
| (b) Other Equity | 9 | <u>(32.29)</u> | <u>1,405.02</u> |
| | | 1,171.91 | 2,609.22 |
| 2. LIABILITIES | | | |
| (A) NON CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 10 | 3,500.00 | 200.00 |
| (ii) Trade Payables | | – | – |
| (b) Other Non Current Liabilities | 11 | 2,689.13 | 12.15 |
| (c) Deferred Tax Liabilities | 12 | <u>6.67</u> | <u>–</u> |
| | | 6,195.80 | 212.15 |
| (B) CURRENT LIABILITIES | | | |
| (a) Financial Liabilities | | | |
| (i) Trade Payables | 13 | 243.91 | 5.12 |
| (b) Other Current Liabilities | 14 | <u>250.41</u> | <u>29.37</u> |
| | | 494.32 | 34.49 |
| TOTAL | | <u>7,862.03</u> | <u>2,855.86</u> |

Note : Read with Note 2 Significant Accounting Policies

AUDITOR'S REPORT

As per our separate report of even date
For MANCHANDA & COMPANY,
Chartered Accountants,
Firm Registration Number 001678N

Sd/-
(RAHUL MANCHANDA)
Partner
Memb. No. 098558

Place : Phagwara
Dated : 24th May, 2019

KK Sardana
(DIN 00398376)

Ajit Singh
(DIN 02637491)

Saurabh Sethi
(DGM Finance)

Dhiraj Sardana
(DIN 06937511)

Pallavi Khurana
(Asst. Company Secretary)

Bhavdeep Sardana
(DIN 03516261)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

| | NOTE | FOR THE YEAR ENDED 31.03.2019 (₹ LACS) | FOR THE YEAR ENDED 31.03.2018 (₹ LACS) |
|--|------|--|--|
| Revenue From Operations | 15 | 95.24 | 0.07 |
| Other Income | 16 | 100.19 | 53.71 |
| Total Revenue | | 195.43 | 53.78 |
| Expenses | | | |
| Employees Benefits Exps. | 17 | 69.31 | 20.00 |
| Finance Cost | 18 | 4.22 | - |
| Depreciation | 3 | 11.42 | 0.70 |
| Other Expenses | 19 | 82.91 | 34.98 |
| Total Expenses | | 167.86 | 55.68 |
| Profit (Loss) Before Exceptional Items and Tax | | 27.57 | (1.90) |
| Exceptional Items | | - | - |
| Profit/Loss Before Tax | | 27.57 | (1.90) |
| Provision for Tax | | | |
| 1. Current Tax | | (5.17) | - |
| Less : Mat Credit entitlement | | 5.17 | |
| 2. Deferred Tax | | (14.88) | (1.18) |
| Profit/Loss for the periods from Continuing Operation | | 12.69 | (3.08) |
| Profit/Loss from Discontinued Operations | | - | - |
| Profit/Loss for the Period | | 12.69 | (3.08) |
| Other Comprehensive Income | | - | - |
| Total Comprehensive Income (Comprising Profit/Loss and other Comprehensive Income for the Period) | | 12.69 | (3.08) |
| Basic / Diluted EPS | | 0.01 | Nil |

AUDITOR'S REPORT

As per our separate report of even date
For MANCHANDA & COMPANY,
Chartered Accountants,
Firm Registration Number 001678N

Sd/-
(RAHUL MANCHANDA)
Partner
Memb. No. 098558

KK Sardana
(DIN 00398376)

Saurabh Sethi
(DGM Finance)

Pallavi Khurana
(Asst. Company Secretary)

Place : Phagwara
Dated : 24th May, 2019

Ajit Singh
(DIN 02637491)

Dhiraj Sardana
(DIN 06937511)

Bhavdeep Sardana
(DIN 03516261)

Sukhjit Mega Food Park & Infra Limited, Phagwara

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2019

AUTHORISED SHARE CAPITAL

| | No. of Shares | Amount |
|---------------------------|---------------|--------------|
| As at 1st April 2017 | 90,00,000 | 900,00,000 |
| Increased During the year | - | - |
| As at 31st March 2018 | 2,60,00,000 | 2,60,00,000 |
| Increased During the year | 3,50,00,000 | 11,60,00,000 |
| As at 31st March 2019 | 3,50,00,000 | 11,60,00,000 |

MOVEMENT IN EQUITY SHARE CAPITAL

| | No. of Shares | Amount |
|------------------------------|---------------|--------------|
| As at 1st April 2017 | 10,03,500 | 1,00,35,000 |
| Fresh issued during the year | - | - |
| As at 31st March 2018 | 1,10,38,500 | 11,03,85,000 |
| Fresh issued During the year | 1,20,42,000 | 12,04,20,000 |
| As at 31st March 2019 | 1,20,42,000 | 12,04,20,000 |

OTHER EQUITY

F.Y. 2016-17

| Particulars | Balance at the beginning of the reporting period | Changes in accounting policy or prior period errors | Restated balance at the beginning of the reporting period | Total comprehensive income for the year | Dividend | Transfer to Retained earnings | Any other change | Balance at the reporting period |
|--|--|---|---|---|----------|-------------------------------|------------------|---------------------------------|
| 1. Share application money pending allotment | - | - | - | - | - | - | - | - |
| 2. Equity component of compound financial instruments | - | - | - | - | - | - | - | - |
| 3. Reserve and surplus | - | - | - | - | - | - | - | - |
| (a) Capital reserve | - | - | - | - | - | - | - | - |
| (b) Security premium reserve | - | - | - | - | - | - | - | - |
| (c) Other reserve | - | - | - | - | - | - | 1,450.00 | 1,450.00 |
| (d) Retained earnings | (41.90) | - | (41.90) | (41.90) | - | (3.09) | - | (41.90) |
| 4. Debt instruments through other Comprehensive Income | - | - | - | - | - | - | - | - |
| 5. Equity instruments through other Comprehensive Income | - | - | - | - | - | - | - | - |
| 6. Effective portion of Cash Flow Hedges | - | - | - | - | - | - | - | - |
| 7. Revaluation Surplus | - | - | - | - | - | - | - | - |
| 8. Financial statements of foreign operation | - | - | - | - | - | - | - | - |
| 9. Other items of other Comprehensive Income | - | - | - | - | - | - | - | - |
| 10. Money received against share warrants | - | - | - | - | - | - | - | - |
| Total | (41.90) | - | (41.90) | (41.90) | - | (3.09) | 1,450.00 | 1,405.01 |

OTHER EQUITY

F.Y. 2018-19

| Particulars | Balance at the beginning of the reporting period | Changes in accounting policy or prior period errors | Restated balance at the beginning of the reporting period | Total comprehensive income for the year | Dividend | Transfer to Retained earnings | Any other change | Balance at the reporting period |
|--|--|---|---|---|----------|-------------------------------|------------------|---------------------------------|
| 1. Share application money pending allotment | - | - | - | - | - | - | - | - |
| 2. Equity component of compound financial instruments | - | - | - | - | - | - | - | - |
| 3. Reserve and surplus | - | - | - | - | - | - | - | - |
| (a) Capital reserve | - | - | - | - | - | - | - | - |
| (b) Security premium reserve | - | - | - | - | - | - | - | - |
| (c) Other reserve (see note [2j]) | - | - | - | - | - | - | - | - |
| (d) Retained earnings | (44.99) | - | (44.99) | (44.99) | - | 12.70 | - | (32.29) |
| 4. Debt instruments through other Comprehensive Income | - | - | - | - | - | - | - | - |
| 5. Equity instruments through other Comprehensive Income | - | - | - | - | - | - | - | - |
| 6. Effective portion of Cash Flow Hedges | - | - | - | - | - | - | - | - |
| 7. Revaluation Surplus | - | - | - | - | - | - | - | - |
| 8. Financial statements of foreign operation | - | - | - | - | - | - | - | - |
| 9. Other items of other Comprehensive Income | - | - | - | - | - | - | - | - |
| 10. Money received against share warrants | - | - | - | - | - | - | - | - |
| Total | (44.99) | - | (44.99) | (44.99) | - | 12.70 | - | (32.29) |

Sukhjit Mega Food Park & Infra Limited, Phagwara

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

| | Year Ended 31st March, 2019 (₹ lacs) | Year Ended 31st March, 2018 (₹ lacs) |
|---|--|--|
| FLOWS FROM OPERATING ACTIVITIES | | |
| Net Profit before tax | 27.57 | (1.90) |
| Adjustments for non-cash items | | |
| Depreciation | 11.42 | 0.70 |
| Adjustments for non-operating activities | | |
| Government grant | 2(j) <u>(98.28)</u> | <u>(50.00)</u> |
| Operating Profits before working capital changes | (59.29) | (51.20) |
| Change in working capital | | |
| Increase in Current Assets | (354.51) | (12.09) |
| Increase in Trade Payables | 238.79 | 4.73 |
| Increase in Other Current Liabilities | <u>122.76</u> | <u>(18.53)</u> |
| | <u>7.04</u> | <u>(25.89)</u> |
| Cash generated from operation | (52.25) | (77.09) |
| Direct Taxes Paid | <u>-</u> | <u>-</u> |
| NET FLOWS FROM OPERATING ACTIVITIES | (52.25) | (77.09) |
| FLOWS FROM INVESTING ACTIVITIES | | |
| Addition in Capital Work-in-progress | (4,258.70) | (1,607.35) |
| Purchase of plant & equipment | 3 (931.54) | (3.01) |
| Other Non Current Assets | <u>(5.17)</u> | <u>(100.67)</u> |
| NET FLOWS FROM INVESTING ACTIVITIES | (5,195.41) | (1,711.03) |
| FLOWS FROM FINANCING ACTIVITIES | | |
| Equity Share Capital issued during the year | | 1,103.85 |
| Borrowings from Bank | 3,300.00 | 200.00 |
| Government Grants | 2(j) 1,400.01 | 1,500.00 |
| Securities received | <u>23.52</u> | <u>12.15</u> |
| NET FLOWS FROM FINANCING ACTIVITIES | 4,723.53 | 2,816.00 |
| Net Cash Flows during the year | (524.13) | 1,027.88 |
| Cash & cash equivalents at the beginning of the year | 2(k) 1,028.21 | 0.33 |
| Cash & cash equivalents at the end of the year | 2(k) 504.08 | 1,028.21 |

AUDITOR'S REPORT

As per our separate report of even date

For MANCHANDA & COMPANY,

Chartered Accountants,

Firm Registration Number 001678N

Sd/-

(RAHUL MANCHANDA)

Partner

Memb. No. 098558

KK Sardana
(DIN 00398376)

Saurabh Sethi
(DGM Finance)

Pallavi Khurana
(Asst. Company Secretary)

Ajit Singh
(DIN 02637491)

Dhiraj Sardana
(DIN 06937511)

Bhavdeep Sardana
(DIN 03516261)

Place : Phagwara

Dated : 24th May, 2019

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2019

1. CORPORATE INFORMATION

Sukhjit Mega Food Park & Infra Ltd. (The Company) is Public Limited Company incorporated in India. The address of its registered office is Sarai Road, Phagwara -144401 and site address is Rehana Jattan 144407 Tehsil Phagwara Distt. Kapurthala (Punjab).

The Company is setting up a Mega Food Park sanctioned by the Ministry of Food Processing Industry, Govt. of India on a land measuring 55 Acres at Rehana Jattan, Tehsil Phagwara (Pb.). Mega Food Park will create various common facilities like Raw material & Finished goods warehouses, Silos, Captive power Plant, IQF / Deep Freezer & Cold Storage, Effluent Treatment Plant, Admin building, Worker Hostel, Standard Design Factory Sheds for MSME units, Food Testing Lab, Sorting / Grading Yard and other infrastructural facilities for the upcoming Food Processing units coming up in the Mega Food Park.

The Standalone Financial Statements for the year ended March 31, 2019 were approved by the Board of Directors on 24.05.2019.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Method of Accounting

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

(b) Fixed Assets

Depreciation on Plant & Machinery has been provided on Straight line method in terms of expected life span of assets and on other PPEs on written down value basis at the specified under schedule II of the Companies Act, 2013 on pro-rata basis with reference to month of addition/installation.

(c) Lease

The company has made an operating lease where the risks and ownership are retained by lessor. The rentals of lease are charged to the Profit & Loss on straight line basis over the lease term.

Following are the disclosures for operating leases:-

(A) the total of future minimum lease payments under non-cancellable operating lease for the following period are as under:-

| | (in ₹ lacs) |
|--|-------------|
| (i) not later than one year : | 24.56 |
| (ii) later than one year and not later than five years : | 125.38 |
| (iii) later than five years : | 3,500.47 |

(B) the company have not any sub-lease agreement

(d) Depreciation

Fixed assets are depreciated on a written down basis at the specified under schedule II of the Companies Act, 2013 on pro-rata basis with reference to month of addition/installation.

(e) Valuation of Inventory

The company has not engaged in commercial activities and has not held any inventories during the year.

(f) Foreign Currency Transactions

No foreign currency transactions made by the company during the year.

(g) Deferred Tax

The company has accounted for Deferred tax as for difference of book values of assets and liabilities with their tax base, using the tax rates as of the balance sheet date.

Sukhjit Mega Food Park & Infra Limited, Phagwara

(h) Related Party disclosure

(A) Party which significantly influence the company :

M/s THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA (HOLDING COMPANY)

| Share of company held by holding company | Current Year | Previous Year |
|--|--------------|---------------|
| The Sukhjit Starch & Chemicals Ltd., (Holding Company) | 100% | 100% |

(B) Parties which are significantly influenced by the company : NIL

(C) Key Management Personnel compensation : ₹ 10.35 lacs

(D) Related Party transactions : (₹ Lacs)

| PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
|--|--------------|---------------|
| Rent paid (To the Sukhjit Starch & Chemicals Ltd.) | - | 0.60 |
| Rent received M/s Sukhjit Corn Products & Chemicals Ltd. (a unit of Sukhjit Starch & Chemicals Ltd.) | 112.38 | 0.07 |

(E) Outstanding Balance at the end of the year 106.48 23.72

(i) Government Grant

The Company has received a sum of ₹ 14 crore towards second installment of Grant in Aid from Ministry of Food Processing Industries, government of India for setting up of Mega Food Park at Village Rehana Jattan Tehsil Phagwara Distt. Kapurthala. The company is eligible for total grant in aid of ₹ 50 crore as per approval from the Ministry .

In current financial year 2018-19, a sum of ₹ 98,27,612 is recognised as revenue, ₹ 50,00,000/- being one year's equivalent of its ₹ 15 crore received in F.Y. 2017-18 spread over 30 years life of project. and ₹ 48,27,612/- being one year's equivalent of its ₹ 14 crore received in F.Y. 2018-19 spread over 29 years life of project. The balance amount is held as deferred income being recognised as Non Current Liabilities bringing a change in accounting policy from the immediate previous year where the Deferred Income from the grant was classified as Other reserves under Other Equity.

(j) Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash in hand and balances with bank.

(k) Borrowing Cost

Borrowing costs relating to period prior to acquisition of fixed assets and pre-construction period are capitalized as part of costs of fixed assets.

(l) Presentation

Previous year figures have been regrouped for better presentation.

AUDITOR'S REPORT

As per our separate report of even date

For MANCHANDA & COMPANY,

Chartered Accountants,

Firm Registration Number 001678N

Sd/-

(RAHUL MANCHANDA)

Partner

Memb. No. 098558

Place : Phagwara

Dated : 24th May, 2019

KK Sardana
(DIN 00398376)

Ajit Singh
(DIN 02637491)

Saurabh Sethi
(DGM Finance)

Dhiraj Sardana
(DIN 06937511)

Pallavi Khurana
(Asst. Company Secretary)

Bhavdeep Sardana
(DIN 03516261)

For and On behalf of the Board

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2019

3. PROPERTY, PLANT & EQUIPMENT

| Particulars | Computer | Furniture | Land | Building | Plant & machinery | Capital Work in Progress |
|--|-------------|-------------|---------------|---------------|-------------------|--------------------------|
| Cost at April 1, 2017 | - | - | - | - | - | 18.64 |
| Add : Addition during the year | 2.26 | 0.76 | - | - | - | 1,787.76 |
| Less : sale during the year | - | - | - | - | - | - |
| Total | 2.26 | 0.76 | - | - | - | 1,806.40 |
| Less : Depreciation during the year | 0.48 | 0.22 | - | - | - | - |
| Closing value at March 31, 2018 | 1.78 | 0.54 | - | - | - | 1,806.40 |
| Cost at April 1, 2018 | 1.78 | 0.54 | - | - | - | 1,806.40 |
| Add : Addition during the year | 1.68 | - | 161.11 | 753.26 | 15.49 | 4,258.70 |
| Less : sale during the year | - | - | - | - | - | - |
| Total | 3.46 | 0.54 | 161.11 | 753.26 | 15.49 | 6,065.10 |
| Less : Depreciation during the year | 1.88 | 0.20 | - | 8.31 | 1.03 | - |
| Closing value at March 31, 2019 | 1.58 | 0.34 | 161.11 | 744.95 | 14.46 | 6,065.10 |

Property, Plant and Equipment

| | |
|-------------------|---------------|
| Computer | 1.58 |
| Furniture | 0.34 |
| Land | 161.11 |
| Building | 744.95 |
| Plant & Machinery | 14.46 |
| | <u>922.44</u> |

Capital Work in Progress

| | |
|--|-----------------|
| Building under construction | 1,724.12 |
| Plant & Machinery under construction | 2,472.96 |
| Unallocated Pre-operative Expenses to be capitalized | 336.45 |
| Sundry Advances | 1,522.41 |
| Others (Weigh bridge under erection) | 9.16 |
| | <u>6,065.10</u> |

| Particulars | AS ON 31.3.2019 (Amount ₹) | AS ON 31.3.2018 (Amount ₹) |
|---------------------------------------|-------------------------------|-------------------------------|
| 4. DEFERRED TAX ASSET | | |
| Deferred Tax Asset | - | 8.20 |
| | <u>-</u> | <u>8.20</u> |
| 5. OTHER NON CURRENT ASSETS | | |
| Loans and advances | | |
| MAT Credit Entitlement | 5.17 | - |
| | <u>5.17</u> | <u>-</u> |
| 6. CASH & CASH EQUIVALENTS | | |
| Balances with Scheduled Bank | | |
| in current account | 503.81 | 1,027.56 |
| Cash in Hand | 0.27 | 0.65 |
| | <u>504.08</u> | <u>1,028.21</u> |
| 7. OTHER CURRENT ASSETS | | |
| Taxes Recoverables | 358.51 | 8.54 |
| Sundry Advances | 6.73 | 2.19 |
| | <u>365.24</u> | <u>10.73</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2019

| | AS ON 31.3.2019 (Amount ₹) | AS ON 31.3.2018 (Amount ₹) |
|--|-------------------------------|-------------------------------|
| 8. EQUITY SHARE CAPITAL | | |
| Equity Share Capital | | |
| Authorised Capital | | |
| 3,50,00,000 Equity Shares of ₹ 10/- each | 3,500.00 | 3,500.00 |
| Issued, Subscribed & Paid up Capital | | |
| 120,42,000 Eq. Shares of ₹ 10/- each fully paid up | <u>1,204.20</u> | <u>1,204.20</u> |
| | <u>1,204.20</u> | <u>1,204.20</u> |
| Share of company held by holding company The Sukhjit Starch & hemicals Ltd. holds 1,20,42,000 share (forming 100% of total shares) on March 31, 2018 and 2019. | | |
| 9. OTHER EQUITY | | |
| Reserve & Surplus | | |
| (a) Capital Reserve | - | - |
| (b) Security Premium Reserve | - | - |
| (c) Other Reserve (See note 1[j]) | - | 1,450.00 |
| (d) Retained Earnings | <u>(32.29)</u> | <u>(44.98)</u> |
| | <u>(32.29)</u> | <u>1,405.02</u> |
| 10. BORROWING | | |
| Secured Loan | | |
| Term Loan from YES Bank Ltd. secured against all Current & Moveable Fixed Assets | <u>3,500.00</u> | <u>200.00</u> |
| | <u>3,500.00</u> | <u>200.00</u> |
| 11. OTHER NON CURRENT LIABILITIES | | |
| Securities received | 35.67 | 12.15 |
| Govt. Grant (See note 2[i]) | 2,653.46 | - |
| | <u>2,689.13</u> | <u>12.15</u> |
| 12. DEFERRED TAX LIABILITY | | |
| Deferred Tax Liability | 6.67 | - |
| | <u>6.67</u> | <u>-</u> |
| 13. TRADE PAYABLES | | |
| Sundry Creditors | 243.91 | 5.12 |
| | <u>243.91</u> | <u>5.12</u> |
| 14. OTHER CURRENT LIABILITIES | | |
| Provision for Income Tax | 2.57 | - |
| Govt. Grant (See note 2[i]) | 98.28 | - |
| Taxes Payable | 8.27 | 2.39 |
| Other Creditors | 106.49 | 23.72 |
| Expense Payable | 34.80 | 3.26 |
| | <u>250.41</u> | <u>29.37</u> |

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2019

| | AS ON 31.3.2019 (Amount ₹) | AS ON 31.3.2018 (Amount ₹) |
|---|-------------------------------|-------------------------------|
| 15. REVENUE FROM OPERATIONS | | |
| Rent | 95.24 | 0.07 |
| | <u>95.24</u> | <u>0.07</u> |
| 16. OTHER INCOME | | |
| Interest | 0.07 | - |
| Tender document fees | 1.84 | 3.71 |
| Government Grant (See Note 1[j]) | 98.28 | 50.00 |
| | - | - |
| | <u>100.19</u> | <u>53.71</u> |
| 17. EMPLOYEES BENEFITS EXPENSE | | |
| Salaries & Wages | 69.14 | 19.87 |
| Employee Welfare | 0.17 | 0.13 |
| | <u>69.31</u> | <u>20.00</u> |
| 18. FINANCE COST | | |
| Bank Interest | 176.15 | 6.10 |
| Less : Amount (Capitalised) | (171.93) | (6.10) |
| Note : Borrowing cost is capitalised under capital WIP (See Note 1[l]) | | |
| | <u>4.22</u> | <u>-</u> |
| 19. OTHER EXPENSES | | |
| Administration, Selling & Other Expenses | | |
| Advertisement | 1.05 | 1.45 |
| Auditor's Remuneration : For Statutory Audit | 0.20 | 0.20 |
| Bank Charges | 0.05 | 2.01 |
| Director Fees | 0.40 | - |
| Electricity power consumed | 3.86 | 0.47 |
| Entertainment | 0.12 | - |
| Fees & Subscription | 0.18 | 0.28 |
| General Expenses | 9.03 | 3.81 |
| Insurance | 6.40 | - |
| Lease Rent | 22.33 | 20.30 |
| Printing & Stationery | 0.48 | 0.33 |
| Professional Fees | 30.04 | 2.22 |
| Rent | 0.19 | 0.60 |
| Repair Charges | 0.72 | 0.11 |
| Taxes & Registration | 1.13 | 0.70 |
| Telephone Expenses | 0.05 | - |
| Travelling Expenses | 6.69 | 2.50 |
| | <u>82.91</u> | <u>34.98</u> |

AUDITOR'S REPORT

As per our separate report of even date
For MANCHANDA & COMPANY,
Chartered Accountants,
Firm Registration Number 001678N
Sd/-
(RAHUL MANCHANDA)
Partner
Memb. No. 098558
Place : Phagwara
Dated : 24th May, 2019

KK Sardana
(DIN 00398376)

Ajit Singh
(DIN 02637491)

Saurabh Sethi
(DGM Finance)

Dhiraj Sardana
(DIN 06937511)

Pallavi Khurana
(Asst. Company Secretary)

Bhavdeep Sardana
(DIN 03516261)

For and On behalf of the Board