

# **THE SUKHJIT STARCH & CHEMICALS LIMITED**

## **ACCOUNTS OF THE SUBSIDIARY COMPANIES**

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

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**ANNUAL REPORT 2019-2020**

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## Sukhjit Mega Food Park & Infra Limited, Phagwara

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### BOARD OF DIRECTORS

Sh. K.K. Sardana  
Sh. Tarsem Singh Lally  
Sh. Vikas Uppal  
Sh. Ajit Singh  
Sh. Manjit Singh Brar  
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.)

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## DIRECTORS' REPORT

Dear Share Holders:

Your Directors are pleased to present before you the 5th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2020 :

### 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 Mega Food Park is creating affordable infrastructure for the food processing units coming up in the park and will create ready market for the farmers with better crop realization to them. The project is expected to be commissioned in the 2nd quarter of F.Y. 2020-21.

### 2. DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March, 2020.

### 3. SHARE CAPITAL

The paid up share capital of the Company as at March 31, 2020 stood at ₹ 33.91 crores. The Company has issued 21868272 right shares of face value of ₹ 10/- each (fully paid up) 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, 2020, 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, 2020 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

- (a) Sh. Dhiraj Sardana retire by rotation and being eligible, the Board recommends his appointment.

- (b) 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.
- (c) 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.

### **6. 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.

### **7. 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.

### **8. MEETINGS OF THE BOARD**

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

### **9. 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.

### **10. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

The Company has neither given any loan / Guarantee nor made any Investment. However, it has given some securities to the Govt./other departments in the ordinary course of business.

### **11. EXTRACT OF ANNUAL RETURN**

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

### **12. 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.

## Sukhjit Mega Food Park & Infra Limited, Phagwara

(c) Foreign Exchange Earnings & Outgo	2019-2020	2018-2019
	(₹ 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.

### 13. 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.

### 14. 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.

#### Secretarial Auditors:

The Board of Directors has appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2020-21.

### 15. 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 : 11th June, 2020

## 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 Ph. : 01824-468800 Email ID : megafoodpark@sukhjitgroup.com Website : www.sukhjitmfp.com
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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>Promoters</b>										
(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	-	3,39,06,772	3,39,06,772	99.99	-	-
d) Bank/Fl										
e) Any other										
<b>Total Shareholding of Promoters</b>	-	12,042,000	12,042,000	100	-	3,39,10,272	3,39,10,272	100	-	-
<b>Grand Total</b>	-	12,042,000	12,042,000	100	-	3,39,10,272	3,39,10,272	100	-	-

## Sukhjit Mega Food Park & Infra Limited, Phagwara

### (V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
<b>Individual</b>								
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	-	-
<b>BODIES CORPORATES</b>								
1	SUKHJIT STARCH & CHEMICALS LIMITED	1,20,38,500	99.97	0	3,39,06,772	99.99	0	0.02
		1,20,38,500	99.97	0	3,39,06,772	99.99	0	0.02
	Total	1,20,42,000	100	0	3,39,10,772	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)

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sukhjit Starch & Chemicals Limited	1,20,38,500	99.97	08.05.2019	72,25,200	Right Issue	1,92,63,700	99.99
				05.09.2019	38,53,440	Right Issue	2,31,17,140	99.99
				09.12.2019	1,07,89,632	Right Issue	3,39,06,772	99.99
		3,39,06,772	99.99	31.03.2020			3,39,06,772	99.99

(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	K K Sardana ( Director)	500	0.004	01.04.2019				
		500	0.004	31.03.2020	NIL	No change	500	0.004
2	Dhiraj Sardana (Director)	500	0.004	01.04.2019				
		500	0.004	31.03.2020	NIL	No change	500	0.004
3	Bhavdeep Sardana ( Director)	500	0.004	01.04.2019				
		500	0.004	31.03.2020	NIL	No change	500	0.004
4	Tarsem Singh Lally (Director)	-	-	01.04.2019				
		-	-	31.03.2020	NIL	No change	-	-
5	Vikas Uppal (Director)	-	-	01.04.2019				
		-	-	31.03.2020	NIL	No change	-	-
6	Ajit Singh (Director)	-	-	01.04.2019				
		-	-	31.03.2020	NIL	No change	-	-
7	Manjit Singh Brar (Director)	-	-	01.04.2019				
		-	-	31.03.2020	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
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	3,500	-	-	3,500
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,500</b>	<b>-</b>	<b>-</b>	<b>3,500</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	1,300	-	-	1,300
Reduction	-	-	-	-
<b>Net Change</b>	<b>1,300</b>	<b>-</b>	<b>-</b>	<b>1,300</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,800	-	-	4,800
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>4,800</b>	<b>-</b>	<b>-</b>	<b>4,800</b>

### 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	<b>Gross Salary</b>				
	(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)				
	<b>Total (A)</b>				
	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	<b>Gross Salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	9.63	3.95	13.58
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
2	Others ( Retirement Benefits)	0.75	0.34	1.09
	<b>Total</b>	<b>10.38</b>	<b>4.29</b>	<b>14.67</b>

### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**INDEPENDENT AUDITORS' REPORT**

To

The Members of

Sukhjit Mega Food Park & Infra Limited,  
Phagwara.

**Report on the Audit of the Standalone Financial Statements**

**OPINION**

We have audited the standalone financial statements of Sukhjit Mega Food Park & Infra Limited ('the Company'), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITY OF MANAGEMENT FOR STANDALONE 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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. Our opinion is not modified in respect of these matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

**As required by Section 143(3) of the Act, we report that:**

We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (a) In our opinion, proper books of account as required by law have been kept by the Company sofar as it appears from our examination of those books.
- (b) 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.
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (d) On the basis of the written representations received from the directors as on June06, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we report that the company does not have a system of Internal Financial Control System since it has not entered into any significant financial transaction during the year.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - III. There has been no delay in transferring amounts, required to be transferred (if any), to the Investor Education and Protection Fund by the Company.

**For MANCHANDA & COMPANY**

Chartered Accountants,

Firm Registration Number 001678N

Sd/-

**(RAHUL MANCHANDA)**

Partner

Place : Phagwara

Memb. No. 098558

Dated : 11th June, 2020

UDIN:20098558AAAABA7920

**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 and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company has not held any inventory during the year under audit.
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, 2020 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

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9. The Company raised the money by way of term loan which has been utilized for the same purpose for which it was raised. The company has also issued shares to its holding company, however no public placement of shares has been made.
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. 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. 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.
16. 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 : 11th June, 2020

## Sukhjit Mega Food Park & Infra Limited, Phagwara

### BALANCE SHEET AS ON 31ST MARCH, 2020

	NOTE	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3	1,557.25	922.44
(b) Capital Work-in-progress	3	10,139.39	6,065.10
(c) Long term Loan and Advances	4	5.54	–
(d) Other Non Current Assets	5	5.17	5.17
		<b>11,707.35</b>	<b>6,992.71</b>
<b>2. CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Cash & Cash Equivalents	6	183.98	504.08
(b) Other Current Assets	7	1,091.85	365.24
		<b>1,275.83</b>	<b>869.32</b>
Total Assets		<b>12,983.18</b>	<b>7,862.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	8	3,391.03	1,204.20
(b) Other Equity	9	(62.52)	(32.29)
		<b>3,328.51</b>	<b>1,171.91</b>
<b>2. LIABILITIES</b>			
<b>(A) NON CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	10	3,400.00	3,500.00
(b) Other Non Current Liabilities	11	4,646.16	2,997.02
(c) Deferred Tax Liabilities	12	0.17	6.67
		<b>8,046.33</b>	<b>6,503.69</b>
<b>(B) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Trade Payables	13	124.65	34.30
(b) Other Current Liabilities	14	1,483.69	152.13
		<b>1,608.34</b>	<b>186.43</b>
<b>TOTAL</b>		<b>12,983.18</b>	<b>7,862.03</b>

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 : 11th June, 2020

K.K. Sardana  
(Managing Director)

Saurabh Sethi  
(DGM Finance)

Pallavi Khurana  
(Asst. Company Secretary)

DIRECTORS

DHIRAJ SARDANA  
BHAVDEEP SARDANA  
TARSEM SINGH LALLY  
VIKAS UPPAL  
AJIT SINGH

**Sukhjit Mega Food Park & Infra Limited, Phagwara**

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

	NOTE	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)	FOR THE YEAR ENDED 31.03.2019 (₹ LACS)
<b>Revenue From Operations</b>	15	<b>104.77</b>	95.24
<b>Other Income</b>	16	<b>133.58</b>	100.19
<b>Total Revenue</b>		<b><u>238.35</u></b>	<u>195.43</u>
<b>Expenses</b>			
Employees Benefits Exps.	17	30.91	69.31
Finance Cost	18	93.66	4.22
Depreciation	3	104.03	11.42
Other Expenses	19	<u>46.20</u>	<u>82.91</u>
<b>Total Expenses</b>		<b><u>274.80</u></b>	<u>167.86</u>
<b>Profit/Loss Before Tax</b>		(36.45)	27.57
<b>Provision for Tax</b>			
1. Current Tax		(0.28)	-
2. Deferred Tax		<u>6.50</u>	<u>(14.88)</u>
		6.22	(14.88)
<b>Profit/Loss for the Period</b>		(30.23)	12.69
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b> (Comprising Profit/Loss and other Comprehensive Income for the Period)		(30.23)	12.69
<b>Basic / Diluted EPS</b>		Nil	0.01

**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 : 11th June, 2020

K.K. Sardana  
(Managing Director)

Saurabh Sethi  
(DGM Finance)

Pallavi Khurana  
(Asst. Company Secretary)

DIRECTORS

DHIRAJ SARDANA  
BHAVDEEP SARDANA  
TARSEM SINGH LALLY  
VIKAS UPPAL  
AJIT SINGH

## Sukhjit Mega Food Park & Infra Limited, Phagwara

### STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

#### AUTHORISED SHARE CAPITAL

	No. of Shares	Amount
As at 1st April 2018	3,50,00,000	35,00,00,000
Increased During the year	-	-
As at 31st March 2019	3,50,00,000	35,00,00,000
Increased During the year	-	-
As at 31st March 2020	3,50,00,000	35,00,00,000

#### MOVEMENT IN EQUITY SHARE CAPITAL

	No. of Shares	Amount
As at 1st April 2018	1,20,42,000	12,04,20,000
Fresh issued during the year	-	-
As at 31st March 2019	1,20,42,000	12,04,20,000
Fresh issued During the year	2,18,68,272	21,86,82,720
As at 31st March 2020	3,39,10,272	33,91,02,720

#### 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	-	-	-	-	-	-	-	-
(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)

#### OTHER EQUITY

F.Y. 2019-20

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	-	-	-	-	-	-	-	-
(d) Retained earnings	(32.29)	-	(32.29)	(32.29)	-	(30.23)	-	(62.52)
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	(32.29)	-	(32.29)	(32.29)	-	(30.23)	-	(62.52)

## Sukhjit Mega Food Park & Infra Limited, Phagwara

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

	Year Ended 31st March, 2020 (₹ lacs)	Year Ended 31st March, 2019 (₹ lacs)
<b>FLAWS FROM OPERATING ACTIVITIES</b>		
Net Profit before tax	(36.45)	27.57
<b>Adjustments for non-cash items</b>		
Depreciation	104.03	11.42
Interest Paid	64.75	-
<b>Adjustments for non-operating activities</b>		
Government grant	<u>(133.15)</u>	<u>(98.28)</u>
<b>Operating Profits before working capital changes</b>	<b>(0.82)</b>	<b>(59.29)</b>
<b>Change in working capital</b>		
Increase in Current Assets	(726.61)	(354.51)
Increase in Trade Payables	90.35	238.79
Increase in Other Current Liabilities	<u>1,304.54</u>	<u>122.76</u>
	<b><u>668.28</u></b>	<b><u>7.04</u></b>
<b>Cash generated from operation</b>	<b><u>667.46</u></b>	<b><u>(52.25)</u></b>
Direct Taxes Paid	<u>(0.28)</u>	<u>-</u>
<b>NET FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>667.18</u></b>	<b><u>(52.25)</u></b>
<b>FLAWS FROM INVESTING ACTIVITIES</b>		
Addition in Capital Work-in-progress	(4,074.29)	(4,258.70)
Purchase of plant & equipment	(91.35)	(931.54)
Other Non Current Assets	<u>(5.54)</u>	<u>(5.17)</u>
<b>NET FLOWS FROM INVESTING ACTIVITIES</b>	<b>(4,171.18)</b>	<b>(5,195.41)</b>
<b>FLAWS FROM FINANCING ACTIVITIES</b>		
Equity Share Capital issued during the year	2,186.83	-
Borrowings from Bank	(100.00)	3,300.00
Government Grants	976.50	1,400.01
Securities received	(3.32)	23.52
Other Non Current Liabilities	148.44	-
Lease Liability (Principal Portion)	(22.33)	-
Lease Liability (Interest Portion)	<u>(2.23)</u>	<u>-</u>
<b>NET FLOWS FROM FINANCING ACTIVITIES</b>	<b>3,183.89</b>	<b>4,723.53</b>
Net Cash Flows during the year	<b>(320.11)</b>	<b>(524.13)</b>
Cash & cash equivalents at the beginning of the year	<b>504.08</b>	<b>1,028.21</b>
Cash & cash equivalents at the end of the year	<b>183.98</b>	<b>504.08</b>

#### 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 : 11th June, 2020

K.K. Sardana  
(Managing Director)

Saurabh Sethi  
(DGM Finance)

Pallavi Khurana  
(Asst. Company Secretary)

DIRECTORS

DHIRAJ SARDANA  
BHAVDEEP SARDANA  
TARSEM SINGH LALLY  
VIKAS UPPAL  
AJIT SINGH



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2020**

**1. CORPORATE INFORMATION**

Sukhit Mega Food Park & Infra Ltd. (The Company) is Public Limited Company incorporated and dominated in India. The address of its registered office is Sarai Road, Phagwara -144401 and site address is Village 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 having 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, 2020 were approved by the Board of Directors on June 11, 2020.

**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) Property Plant & Equipment**

Fixed assets are accounted for at their original cost including duties, taxes, freight and incident charges relating to acquisition and installation, and expenditure for the period prior to commercial production is considered as a part of the cost of assets.

During the year, the company has recognised Right-Of-Use Asset (ROU Asset) held under a lease of 33 years under the Property Plant & Equipment as Land. The cost of these assets has been booked in accordance with the Indian Accounting Standard 116, Leases, as the present value of future lease payments discounted at the interest rate implicit in the lease with effect from April 01, 2019 being the transition date, using the "Modified Retrospective Approach."

**(c) Lease**

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

During the year, the company has recognised Right-Of-Use Asset (ROU Asset) held under a lease of 33 years under the Property Plant & Equipment as Land. The total cost of this ROU Asset has been measured as present value of the future lease payments by discounting total lease payment with interest rate implicit in the lease using the "Modified Retrospective Approach". Instead of claiming actual lease payment expense, the composite present value of ROU Asset will be depreciated at straight line and interest cost for corresponding lease liability, in line with the accounting treatment required by IndAS116.

For the reporting year, the carrying amount of ROU Asset is an amount equal to the carrying amount of the lease liability on the transition date computed as present value of all future lease payments discounted at an interest rate implicit in the lease. There is no prepayment or accrual item and hence, there is no impact on retained earnings as on transition date. The ROU Asset has been recognised at a cost of ₹ 647.50 Lacs, with the same corresponding lease liability. The depreciation on this asset is ₹ 22.33 Lacs under Note 3 and Interest on corresponding Lease Liability for ₹ 647.50 Lacs under Note 18. For the current year, the lease payment has been classified into principal and interest component, within Cash Flows from Financing Activities under Cash Flow Statement. For the previous reporting year, the lease payment was classified as expense under item lease rent in Note 19.

**(d) Depreciation**

Depreciation on Plant & Machinery and ROU Asset has been provided on Straight line method in terms of expected life span of assets and remaining period of lease respectively. However, depreciation 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.

**(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**

Advance of USD 8,000 (₹ 5.80 Lacs) paid against import of capital goods during the year.

## Sukhjit Mega Food Park & Infra Limited, Phagwara

### (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.

### (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 :

The total remuneration of the Key Management Personnel is as under : (₹ Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
– Chief Financial Officer (CFO)	10.37	6.67
– Company Secretary (CS)	4.29	3.68

(D) Related Party transactions :

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Rent received from M/s Sukhjit Corn Products (a unit of the Sukhjit Starch & Chemicals Ltd.)	123.62	112.38

(E) Outstanding Balance at the end of the year	(27.89)	106.48
------------------------------------------------	---------	--------

### (i) Government Grant

The Company has received a sum of ₹ 9.76 crore towards third 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 2019-20, a sum of ₹ 133.15 Lacs is recognised as revenue (₹ 50 Lacs being one year's equivalent of its ₹ 15 crore received in F.Y. 2017-18 spread over 30 years life of project, ₹ 48.28 Lacs being one year's equivalent of its ₹ 14 crore received in F.Y. 2018-19 spread over 29 years life of project and ₹ 34.87 Lacs being one year's equivalent of its ₹ 9.76 crore received in F.Y. 2019-20 spread over 28 years life of project). The balance amount is held as deferred income being recognised as Non Current Liabilities (except for the recovery of next 12 months which are classified as 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 equivalents 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. Other borrowing costs are written off as expense during the year. Amount of borrowing costs capitalized during F.Y. 2019-20 : ₹ 358.37 Lacs.

### (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 : 11th June, 2020

K.K. Sardana  
(Managing Director)

Saurabh Sethi  
(DGM Finance)

Pallavi Khurana  
(Asst. Company Secretary)

DIRECTORS

DHIRAJ SARDANA  
 BHAVDEEP SARDANA  
 TARSEM SINGH LALLY  
 VIKAS UPPAL  
 AJIT SINGH

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2020**

**3. PROPERTY, PLANT & EQUIPMENT**

(Amount ₹ Lacs)

Particulars	Original cost as on 01.04.2019	WDV as on 01.04.2019	Addition	Depreciation for the year	Original Cost as on 31.03.2020	WDV as on 31.03.2020
Land	161.11	161.11	18.74	–	179.85	179.85
Building	753.26	744.94	–	70.77	753.26	674.17
Furniture & Fixture	0.76	0.35	3.86	2.96	4.61	1.24
Computer	3.94	1.58	0.54	1.17	4.47	0.95
Plant & Machinery	15.49	14.46	68.22	6.81	83.71	75.86
ROU Asset *	–	–	647.50	22.33	647.50	625.17
<b>Total</b>	<b>934.55</b>	<b>922.44</b>	<b>738.85</b>	<b>104.03</b>	<b>1,673.40</b>	<b>1557.25</b>
Previous Year	3.01	2.32	931.54	11.42	934.55	922.44

**Particulars**

**AS ON 31.3.2020**  
(Amount ₹ Lacs)

AS ON 31.3.2019  
(Amount ₹ Lacs)

**Capital Work in Progress**

Building under construction	2,462.23	1,724.12
Plant & Machinery under construction	6,635.01	2,482.13
Unallocated Pre-operative Expenses to be capitalized	801.03	336.45
Sundry Advances for fixed assets	241.13	1,522.41
	<u>10,139.40</u>	<u>6,065.11</u>

**4. LONG TERM LOANS AND ADVANCES**

Security Paid	5.54	–
	<u>5.54</u>	<u>–</u>

**5. OTHER NON CURRENT ASSETS**

Loans and advances		
MAT Credit Entitlement	5.17	5.17
	<u>5.17</u>	<u>5.17</u>

**6. CASH & CASH EQUIVALENTS**

Balances with Scheduled Bank in current account	183.74	503.81
Cash in Hand	0.24	0.27
	<u>183.98</u>	<u>504.08</u>

**7. OTHER CURRENT ASSETS**

Taxes Recoverables	906.96	358.51
Prepaid Expenses	8.77	–
Sundry Advances	176.12	6.73
	<u>1,091.85</u>	<u>365.24</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2020**

	AS ON 31.3.2020 (Amount ₹ Lacs)	AS ON 31.3.2019 (Amount ₹ Lacs)
<b>8. EQUITY SHARE CAPITAL</b>		
<b>Equity Share Capital</b>		
<b>Authorised Capital</b>		
3,50,00,000 Equity Shares of ₹ 10/- each	<u>3,500.00</u>	<u>3,500.00</u>
<b>Issued, Subscribed &amp; Paid up Capital</b>		
339,10,272 Eq. Shares (P.Y. 120,42,000 Eq. Shares) of ₹ 10/- each fully paid up	<u>3,391.03</u>	<u>1,204.20</u>
	<u><u>3,391.03</u></u>	<u><u>1,204.20</u></u>
Share of company held by holding company The Sukhjit Starch & Chemicals Ltd. holds 100% shares on March 31, 2020 and March 31, 2019.		
<b>9. OTHER EQUITY</b>		
Reserve & Surplus		
Retained Earnings		
Deficit Brought forward	(32.29)	(44.98)
Add : Surplus for the period	<u>(30.23)</u>	<u>12.69</u>
	<u><u>(62.52)</u></u>	<u><u>(32.29)</u></u>
<b>10. BORROWING</b>		
Secured Loan		
Term Loan from YES Bank Ltd. secured against all Current & Moveable Fixed Assets (The Term Loan is repayable in twenty equal quarterly installments. First installment due from July 2020)	<u>3,400.00</u>	<u>3,500.00</u>
	<u><u>3,400.00</u></u>	<u><u>3,500.00</u></u>
<b>11. OTHER NON CURRENT LIABILITIES</b>		
Securities received	32.35	35.67
Govt. Grant (See note 2[i])	3,595.09	2,751.74
Lease Liability (See note 2[c])	660.67	-
Other Non Current Liabilities	<u>358.05</u>	<u>209.61</u>
	<u><u>4,646.16</u></u>	<u><u>2,997.02</u></u>
<b>12. DEFERRED TAX LIABILITY</b>		
Deferred Tax Liability	<u>0.17</u>	<u>6.67</u>
	<u><u>0.17</u></u>	<u><u>6.67</u></u>
<b>13. TRADE PAYABLES</b>		
Sundry Creditors	<u>124.65</u>	<u>34.30</u>
	<u><u>124.65</u></u>	<u><u>34.30</u></u>
<b>14. OTHER CURRENT LIABILITIES</b>		
Provision for Income Tax	2.85	2.57
Term Loan repayment to Yes Bank (secured against all current & Movable Fixed Assets)	600.00	-
Term Loan from Citi Bank Ltd. (secured against first Pari Passu charge on all Movable Fixed Assets including Plant and Machinery) (Repayable within one year)	800.00	-
TDS Payable		
Taxes Payable	4.19	8.27
Other Creditors	-	106.49
Expense Payable	49.63	34.80
Lease Liability (See note 2[c])	<u>27.02</u>	<u>-</u>
	<u><u>1,483.69</u></u>	<u><u>152.13</u></u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2020**

	AS ON 31.3.2020 (Amount ₹)	AS ON 31.3.2019 (Amount ₹)
<b>15. REVENUE FROM OPERATIONS</b>		
Rent	104.77	95.24
	<u>104.77</u>	<u>95.24</u>
<b>16. OTHER INCOME</b>		
Interest	0.23	0.07
Tender document fees	0.20	1.84
Government Grant (See Note 1[j])	133.15	98.28
	<u>133.58</u>	<u>100.19</u>
<b>17. EMPLOYEES BENEFITS EXPENSE</b>		
Salaries & Wages	30.80	69.14
Employee Welfare	0.11	0.17
	<u>30.91</u>	<u>69.31</u>
<b>18. FINANCE COST</b>		
Bank Interest	387.28	176.15
Less : Amount (Capitalised)	(358.37)	(171.93)
Note : Borrowing cost is capitalised under capital WIP (See Note 1[l])		
Interest on Lease Liability	64.75	-
	<u>93.66</u>	<u>4.22</u>
<b>19. OTHER EXPENSES</b>		
<b>Administration, Selling &amp; Other Expenses</b>		
Advertisement	0.17	1.05
Auditor's Remuneration :		
For Statutory Audit	0.20	0.20
For Tax Audit	0.10	-
Bank Charges	0.07	0.05
Charity & Donation	0.30	-
Director Fees	0.85	0.40
Electricity power consumed	3.95	3.86
Entertainment	0.67	0.12
Fees & Subscription	0.02	0.18
General Expenses	11.65	9.03
Insurance	0.08	6.40
Lease Rent	-	22.33
Printing & Stationery	0.53	0.48
Professional Fees	15.33	30.04
Rent	0.54	0.19
Repair Charges	0.78	0.72
Taxes & Registration	1.04	1.13
Telephone Expenses	0.05	0.05
Travelling Expenses	9.87	6.69
	<u>46.20</u>	<u>82.91</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 : 11th June, 2020

K.K. Sardana  
(Managing Director)

Saurabh Sethi  
(DGM Finance)

Pallavi Khurana  
(Asst. Company Secretary)

DIRECTORS

DHIRAJ SARDANA  
BHAVDEEP SARDANA  
TARSEM SINGH LALLY  
VIKAS UPPAL  
AJIT SINGH

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

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### 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.)

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## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present before you the 74th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2020.

### 1. FINANCIAL PERFORMANCE

The Company has shown a turn around during the year under reference. The Company has achieved higher turnover during the year i.e. ₹ 1.95 crores against ₹ 0.71 crores P.Y. by supplying some of the equipment to the new expansion project of Sukhjiti.

### 2. DIVIDEND

The Board of Directors has not recommended any dividend for the financial year ended 31st March, 2020.

### 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, 2020, 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, 2020 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. S.D. Patel 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.

**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	2019-2020 (₹ lacs)	2018-2019 (₹ 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 there-under.

**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 : 11th June, 2020

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

### ANNEXURE 'A'

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

as on financial year ended on 31.03.2020

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

#### I. REGISTRATION & OTHER DETAILS:

i.	CIN	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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>A. Promoters</b>										
(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										
<b>Total Shareholding of Promoter (A)</b>	-	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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>B. PUBLIC SHAREHOLDING</b>										
<b>Non Institutions</b>										
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)	-	-	-	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)</b>	-	5,640	5,640	2.45	-	5,640	5,640	2.45	-	-
<b>Grand Total (A+B)</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 (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
	<b>Individual</b>							
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	-
		<b>3200</b>	<b>1.39</b>	<b>0</b>	<b>3200</b>	<b>1.39</b>	<b>0</b>	<b>-</b>
	<b>BODIES CORPORATES</b>							
1	SUKHJIT STARCH & CHEMICALS LIMITED	221800	96.17	0	221800	96.17	0	-
		<b>221800</b>	<b>96.17</b>	<b>0</b>	<b>221800</b>	<b>96.17</b>	<b>0</b>	<b>-</b>
	<b>Total</b>	<b>225000</b>	<b>96.47</b>	<b>0</b>	<b>225000</b>	<b>96.47</b>	<b>0</b>	<b>-</b>

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
	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 (01.04.2019) /End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Shanta Sardana	600	0.26	01.04.2019				
					NIL	No Change		
		600	0.26	31.03.2020			600	0.26
2	Sirinivas Mukand Parulekar	500	0.22	01.04.2019				
					NIL	No Change		
		500	0.22	31.03.2020			500	0.22
3	Govind Kumar	450	0.20	01.04.2019				
		450	0.20	31.03.2020			450	0.20
4	Ram Muri Duggal	400	0.17	01.04.2019				
					NIL	No Change		
		400	0.17	31.03.2020			400	0.17
5	Charanjit lal Duggal	200	0.09	01.04.2019				
					NIL	No Change		
		200	0.09	31.03.2020			200	0.09
6	Kartar Singh	200	0.09	01.04.2019				
					NIL	No Change		
		200	0.09	31.03.2020			200	0.09
7	Chaman Lal Grover	200	0.09	01.04.2019				
					NIL	No Change		
		200	0.09	31.03.2020			200	0.09
8	Gurdas Mal	200	0.09	01.04.2019				
					NIL	No Change		
		200	0.09	31.03.2020			200	0.09
9	Mool Raj	200	0.09	01.04.2019				
					NIL	No Change		
		200	0.09	31.03.2020			200	0.09
10	Vijay Kumar	100	0.04	01.04.2019				
					NIL	No Change		
		100	0.04	31.03.2020			100	0.04

### (VIII) Shareholding of Directors & KMP

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2019) /End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Raman Narang ( Director)	2000	0.87	01.04.2019				
					NIL	No Change		
		2000	0.87	31.03.2020			2000	0.87
2	V K Suri ( Director)	500	0.00	01.04.2019				
					NIL	No Change		
		500	0.22	31.03.2020			500	0.22
3	S.D. Patel ( Director)	-	-	01.04.2019				
					NIL	No Change		
		-	-	31.03.2020			-	-

## 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
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Additions	-	-	-	-
Reduction	-	-	-	-
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

### 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	<b>Gross Salary</b>				
	(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)				
	<b>Total (A)</b>				
	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	<b>Gross Salary</b>			
	(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)			
	<b>Total</b>			

### 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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Audit of the Standalone Financial Statements**

**OPINION**

We have audited the standalone financial statements of THE VIJOY STEEL & GENERAL MILLS CO. LTD. ('the Company'), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITY OF MANAGEMENT FOR STANDALONE 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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

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

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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.

Our opinion is not modified in respect of these matters.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :**

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

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on June 06, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we report that the company does not have a system of Internal Financial Control System since it has not entered into any significant financial transaction during the year.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - III. There has been no delay in transferring amounts, required to be transferred (if any), to the Investor Education and Protection Fund by the Company.

**For N.K. Gaba & Co.**

Chartered Accountants

Firm Registration Number 003684N

Sd/-

(N.K. Gaba)

Partner

Memb. No. 82375

UDIN: 20082375AAAABI9593

Place : Phagwara

Dated : 11th June, 2020

### **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 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **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 2020. 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



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

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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 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 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable 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 : 11th June, 2020

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

### BALANCE SHEET AS ON 31ST MARCH, 2020

	NOTE	AS ON 31.3.2020 (₹ LACS)		AS ON 31.3.2019 (₹ LACS)	
<b>ASSETS</b>					
<b>1. NON CURRENT ASSETS</b>					
(a) Property, Plant and Equipment	1	20.88		20.88	
(b) Deferred Tax Asset (net)		2.24		8.19	
(c) Other Non Current Assets	2	<u>3.62</u>	26.74	<u>3.62</u>	32.69
<b>2. CURRENT ASSETS</b>					
(a) Inventories	3	13.79		47.27	
(b) Financial Assets					
(i) Trade Receivables	4	8.79		4.25	
(ii) Cash & Cash Equivalents	5	1.80		2.57	
(iii) Loans & advances	6	0.43		4.22	
(c) Current tax asset (net)					
(d) Other Current assets	7	<u>6.05</u>	<u>30.86</u>	<u>0.56</u>	<u>58.87</u>
Total Assets			<u><u>57.60</u></u>		<u><u>91.56</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>1. EQUITY</b>					
(a) Equity Share Capital	8	23.06		23.06	
(b) Other Equity	9	<u>(0.19)</u>	22.87	<u>(14.81)</u>	8.25
<b>2. LIABILITIES</b>					
<b>(A) NON CURRENT LIABILITIES</b>					
(a) Financial Liabilities					
(b) Provisions	10	<u>7.60</u>	7.60	<u>6.86</u>	6.86
<b>(B) CURRENT LIABILITIES</b>					
(a) Financial Liabilities					
(i) Trade Payables	11	10.51		10.22	
(b) Other Current Liabilities	12	<u>16.62</u>	<u>27.13</u>	<u>66.23</u>	<u>76.45</u>
Total			<u><u>57.60</u></u>		<u><u>91.56</u></u>

The accompanying notes are integral 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 : 11th June, 2020

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

	NOTE	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)	FOR THE YEAR ENDED 31.03.2019 (₹ LACS)
1. Revenue From Operations	13	<b>195.48</b>	70.60
<b>Total Revenue (I)</b>		<b><u>195.48</u></b>	<u>70.60</u>
2. Expenses			
Cost of materials consumed	14	56.23	35.26
Change in Inventories of finished goods & work in progress	15	32.68	(15.35)
Employees Benefits Exps.	16	47.63	25.68
Depreciation & Amortisation	17	2.13	2.06
Other Expenses	18	<u>33.93</u>	<u>21.12</u>
<b>Total Expenses (II)</b>		<b><u>172.60</u></b>	<u>68.77</u>
<b>3. Profit/Loss Before Tax (I-II)</b>		<b>22.88</b>	<b>1.82</b>
4. Provision for Tax			
Current Tax - Mat Payable		(2.31)	-
Deferred Tax		<u>(5.95)</u>	<u>(0.47)</u>
<b>5. Profit/Loss for the Period</b>		<b>14.62</b>	<b>1.35</b>
<b>6. Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>7. Total Comprehensive Income</b>		<b>14.62</b>	<b>1.35</b>
<b>8. Earnings Per Share</b>			
(i) Basic		6.34	0.58
(ii) Diluted		6.34	0.58

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 : 11th June, 2020

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

**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ LACS)

**A. EQUITY SHARE CAPITAL**

Bal at beginning of reporting period, i.e. 1st April, 2018	Changes in Equity Share Capital during 2018-19	Balance at end of reporting period, i.e. 31st March 2019	Changes in Equity Share Capital during 2019-20	Balance at end of reporting period, i.e. 31st March 2020
23.06	-	23.06	-	23.06

**B. OTHER EQUITY**

	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
<b>As at 31st March 2019</b>					
<b>Reserve &amp; Surplus</b>					
Capital Reserve	0.14	-	-	-	0.14
General Reserve	14.90	-	-	-	14.90
Profit & Loss Account	(31.19)	1.35	-	-	(29.85)
<b>Total</b>	<b>(16.15)</b>	<b>1.35</b>	<b>-</b>	<b>-</b>	<b>(14.81)</b>

	Bal at beginning of reporting period, i.e. 1st April, 2019	Total Comprehensive income of year	Dividend	Tax on Dividend	Balance at end of reporting period, i.e. 31st March 2020
<b>As at 31st March 2020</b>					
<b>Reserve &amp; Surplus</b>					
Capital Reserve	0.14	-	-	-	0.14
General Reserve	14.90	-	-	-	14.90
Profit & Loss Account	(29.85)	14.62	-	-	(15.23)
<b>Total</b>	<b>(14.81)</b>	<b>14.62</b>	<b>-</b>	<b>-</b>	<b>(0.19)</b>

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 : 11th June, 2020

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

	For the Year Ended 31st March, 2020 (₹ lacs)	For the Year Ended 31st March, 2019 (₹ lacs)
<b>A. NET PROFIT BEFORE TAX</b>	22.88	1.82
<b>Adjustments for</b>		
Depreciation	2.13	2.06
Provision for gratuity	0.74	0.28
Operating Profit before Working Capital Changes (A)	<u>25.75</u>	<u>4.17</u>
<b>Adjustments for</b>		
Receivables	(90.33)	(7.15)
Inventories	33.48	(9.25)
Current Assets	(5.48)	(0.57)
Current Liabilities (B)	<u>40.26</u>	<u>18.78</u>
<b>Cash Generated from Operations (A-B)</b>	<u>(22.07)</u>	<u>1.81</u>
Income Tax for the period	3.67	5.98
	<u>(2.31)</u>	-
<b>NET CASH FROM OPERATING ACTIVITIES (C)</b>	<u>1.36</u>	<u>5.98</u>
 <b>CASH FROM FINANCING &amp; INVESTING ACTIVITIES</b>		
Increase/Decrease in Fixed assets	(2.14)	(4.52)
Increase/Decrease in Security Deposits	-	-
Increase/Decrease in Share Capital	-	-
Increase/Decrease in Reserve & Surplus	-	-
<b>NET CASH FROM FINANCING &amp; INVESTING ACTIVITIES (D)</b>	<u>(2.14)</u>	<u>(4.52)</u>
 Net increase in Cash and Cash Equivalents (C+D)	(0.77)	1.45
Opening Cash and Cash Equivalents	2.57	1.12
Closing Cash and Cash Equivalents	<u>1.80</u>	<u>2.57</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 : 11th June, 2020

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

**FIXED ASSETS AS ON MARCH 31, 2020**

(₹ LACS)

NOTE : 1

Particulars	GROSS BLOCK		DEPRECIATION BLOCK			NET BLOCK		
	Cost As on 1.4.2019	Additions 31.03.2020	Cost As on 31.03.2020	Upto 31.03.2019	For the Year 31.03.2020	Upto 31.03.2020	As on 31.3.2020	As on 31.3.2019
Land	5.54	-	5.54	-	-	-	5.54	5.54
Building	9.10	-	9.10	5.80	0.10	5.90	3.20	3.30
Electric Fitting	7.05	-	7.05	6.88	-	6.88	0.17	0.17
Furniture	0.73	-	0.73	0.69	-	0.69	0.04	0.04
Machinery	48.86	2.14	51.00	37.35	1.94	39.29	11.71	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	1.94	0.08	2.02	0.04	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	0.19	0.01	0.20	0.04	0.05
Computer	0.45	-	0.45	0.44	-	0.44	0.01	0.01
<b>Total</b>	<b>80.93</b>	<b>2.14</b>	<b>83.07</b>	<b>60.05</b>	<b>2.13</b>	<b>62.18</b>	<b>20.88</b>	<b>20.88</b>

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

	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>2. OTHER NON CURRENT ASSETS</b>		
Security / Other Deposits	3.62	3.62
	<u>3.62</u>	<u>3.62</u>
<b>3. INVENTORIES</b>		
Raw Material	3.70	4.50
Work in Progress	4.42	33.96
Finished Goods	5.68	8.81
	<u>13.79</u>	<u>47.27</u>
<b>4. TRADE RECEIVABLES</b>		
Considered good	8.79	4.25
	<u>8.79</u>	<u>4.25</u>
<b>5. CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	0.39	0.62
Balance in Schedule Banks - in Current accounts	1.40	1.96
	<u>1.80</u>	<u>2.57</u>
<b>6. SHORT TERM LOANS &amp; ADVANCES</b>		
Advances to Employees	0.43	0.16
Trade Advances	-	4.05
	<u>0.43</u>	<u>4.22</u>
<b>7. OTHER CURRENT ASSETS</b>		
Income Tax Refundable	1.42	0.56
GST ITC	4.63	-
	<u>6.05</u>	<u>0.56</u>
<b>8. EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
2,50,000 Equity Shares of ₹ 10/- each each fully paid	<u>25.00</u>	<u>25.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
230640 Equity Shares of ₹ 10/- each fully paid (221800 Equity shares held by Holding Co.)	<u>23.06</u>	<u>23.06</u>
	<u>23.06</u>	<u>23.06</u>
<b>9. OTHER EQUITY</b>		
Capital Reserve	0.14	0.14
General Reserve	14.90	14.90
<b>Profit &amp; Loss Account</b>		
Profit/(Loss) brought forward	(29.85)	(31.20)
Add : Current Year Profit/(Loss)	<u>14.62</u>	<u>1.35</u>
	<u>(15.23)</u>	<u>(29.85)</u>
	<u>(0.19)</u>	<u>(14.81)</u>
<b>10. LONG TERM PROVISIONS</b>		
Provision for gratuity	7.60	6.86
	<u>7.60</u>	<u>6.86</u>
<b>11. TRADE PAYABLES</b>		
Trade payable for goods	4.37	3.08
Trade payable for Expense	6.14	7.14
	<u>10.51</u>	<u>10.22</u>
<b>12. OTHER CURRENT LIABILITIES</b>		
Advances from Holding Co.	16.62	66.23
	<u>16.62</u>	<u>66.23</u>

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

	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>13. REVENUE FROM OPERATIONS</b>		
GST Sales	195.48	70.60
	<u>195.48</u>	<u>70.60</u>
<b>14. COST OF MATERIALS CONSUMED</b>		
Opening Stock of Raw Material	4.50	10.60
Add : Purchases	55.43	29.16
	<u>59.93</u>	<u>39.76</u>
Less : Closing Stock of Raw Material	3.70	4.50
	<u>56.23</u>	<u>35.26</u>
<b>15. CHANGE IN INVENTORIES OF FINISHED GOODS &amp; WIP</b>		
Opening Stock of Finished Goods	8.81	27.43
Opening Stock of Work in Progress	33.96	-
Closing Stock of Finished Goods	5.68	8.81
Closing Stock of Work in Progress	4.42	33.96
	<u>32.68</u>	<u>(15.35)</u>
<b>16. EMPLOYEES BENEFITS EXPENSES</b>		
Salary & Wages	20.28	20.26
Contractual Salary	21.95	-
Contribution to PF & ESI etc.	2.41	2.40
Other Payments	2.93	2.97
Pb Labour welfare fund	0.07	0.05
	<u>47.63</u>	<u>25.68</u>
<b>17. DEPRICIATION &amp; AMORTISATION EXPS</b>		
Deprication	2.13	2.06
	<u>2.13</u>	<u>2.06</u>
<b>18. OTHER EXPENSES</b>		
(a) Manufacturing Expenses		
Freight & Cartage	0.53	1.36
Power & Electricity	5.86	5.77
Machinery Repair	-	1.35
Job work Expenses	25.96	10.04
	<u>32.34</u>	<u>18.51</u>
(b) Administration, Selling & Other Expenses		
Advertisement	-	0.33
Auditors' Remuneration	0.45	0.30
Donation	-	0.21
Fees & Taxes	0.15	0.21
General Expenses	0.26	0.26
Printing & Stationery	0.06	0.10
Rent	0.06	0.06
Repair & Replacements	0.20	0.31
Telephone Expenses	0.08	0.07
Travelling & Conveyance	0.12	0.37
License fees	-	0.06
Bank Charges	-	0.01
Water & Sewarge Exp	0.21	0.30
	<u>1.59</u>	<u>2.61</u>
	<u>33.93</u>	<u>21.12</u>



**SIGNIFICANT ACCOUNTING POLICIES / NOTES ON FINANCIAL STATEMENTS**

**19. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Method of Accounting**

The financial statements are prepared on accrual basis under 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.

**20. Foreign Currency Transactions**

There were no foreign currency transactions during the year.

**21. Taxation**

Deffered Tax is provided for during the year in accordance with the Accounting Standard 22 "Accounting for taxes on Income" issued by ICAI. The Company has opted to remain in the earlier tax structure and may opt for the Concessional rate of Corporate tax rate in future.

**22. Auditors remuneration (including service-tax where applicable)**

	Current Year (₹ lacs)	Previous Year (₹ lacs)
Statutory Audit Fees	0.30	0.30
Tax Audit Fees	0.15	-

**23. 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

(₹ Lacs)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Sale of Goods	190.81	61.65
Purchase of Goods	11.56	1.89
Rent Paid	0.06	0.06

**24.** Previous Years' figures have been rearraged and re-grouped wherever necessary.

**25.** Provision for Gratuity has been made in accordance with Accounting Standard 15, "Employee Benefits".

## Scott Industries Limited, Phagwara

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### 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

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

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## DIRECTORS' REPORT

Dear Share Holders:

Your Directors are pleased to present before you the 23rd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2020.

### 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, 2020.

### 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, 2020, 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, 2020 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.

**7. MEETINGS OF THE BOARD**

The Board of Directors held five 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 had been putting in its efforts to conserve energy under Energy Conservation Programme and through better utilization of equipment and proper production planning during the years of its working. However, it has not undergone any operational activity during the year under reference

(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	2019-2020 (₹ lacs)	2018-2019 (₹ 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. 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.

**12. 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/-  
**K.K. Sardana**  
Director

Place : Phagwara  
Dated : 11th June, 2020

**ANNEXURE 'A'**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
as on financial year ended on 31.03.2020  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.

**I. REGISTRATION & OTHER DETAILS:**

i.	CIN	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 (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
<b>Promoters</b>										
(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										
<b>Total Shareholding of Promoters</b>	-	4,401,400	4,401,400	100.00	-	4,401,400	4,401,400	100.00	-	-
<b>Grand Total</b>	-	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 (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
<b>Individual</b>								
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	0.010	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	-
		<b>1400</b>	<b>0.035</b>	<b>0</b>	<b>1400</b>	<b>0.035</b>	<b>0</b>	<b>-</b>
<b>BODIES CORPORATES</b>								
1	SUKHJIT STARCH & CHEMICALS LIMITED	4400000	99.965	0	4400000	99.965	0	-
		<b>4400000</b>	<b>99.965</b>		<b>4400000</b>	<b>99.965</b>	<b>0</b>	<b>-</b>
	<b>Total</b>	<b>4401400</b>	<b>100</b>	<b>0</b>	<b>4401400</b>	<b>100</b>	<b>0</b>	<b>-</b>

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
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 (01.04.2019) / End of year (31.03.2020)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	K K Sardana ( Director)	200	0.005	01.04.2019			200	0.005
					NIL	No Change		
		200	0.005	31.03.2020			200	0.005
2	V.K. Suri ( Director)	400	0.010	01.04.2019			400	
					NIL	No Change		
		400	0.010	31.03.2020			400	0.010
3	Dhiraj Sardana (Director)	NIL	NIL	01.04.2019				
					NIL	No Change		
		NIL	NIL	31.03.2020			NIL	NIL
4	Bhavdeep Sardana (Director)	NIL	NIL	01.04.2019				
					NIL	No Change		
		NIL	NIL	31.03.2020			NIL	NIL

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

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	<b>Gross Salary</b>				
	(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)				
	<b>Total (A)</b>				
	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	<b>Gross Salary</b>			
	(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)			
	<b>Total</b>			

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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Scott Industries Limited,  
Phagwara.

**Report on the Audit of the Standalone Financial Statements**

**OPINION**

We have audited the standalone financial statements of SCOTT INDUSTRIES LIMITED. ('the Company'), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity and its cash flows for the year ended on that date.

**BASIS FOR OPINION**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**RESPONSIBILITY OF MANAGEMENT FOR STANDALONE 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial statements, including the disclosures, and whether the 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.  
Our opinion is not modified in respect of these matters.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

As required by Section 143(3) of the Act, we report that :

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on June 06, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we report that the company does not have a system of Internal Financial Control System since it has not entered into any significant financial transaction during the year.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
  - I. The Company does not have any pending litigations which would impact its financial position.
  - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
  - III. There has been no delay in transferring amounts, required to be transferred (if any), to the Investor Education and Protection Fund by the Company.

**For N.K. GABA & CO.**

Chartered Accountants,  
Firm Registration Number 003684N

Sd/-

**(N.K. GABA)**

Partner

Memb. No. 82375

Place : Phagwara

Dated : 11th June, 2020

UDIN: 20082375AAAABH9518

**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 2020. 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 had been 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. However, there were no inventories held by the company during thr year under reference.
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, there was no regular employee with the company during the year & no business activity was under taken by the company during the year under reference. Hence, no Provident Fund, ESI, GST etc was required to be deposited during the year.  
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.

## Scott Industries Limited, Phagwara

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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 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable 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 : 11th June, 2020

## Scott Industries Limited, Phagwara

### BALANCE SHEET AS ON 31ST MARCH, 2020

	NOTE	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
Property, Plant and Equipment	1	<u>45.69</u>	<u>45.69</u>
		45.69	45.69
<b>2. CURRENT ASSETS</b>			
Financial Assets			
(i) Trade Receivables	2	61.90	82.53
(ii) Cash & Cash Equivalents	3	2.14	2.38
(iii) Other Current Assets	4	<u>0.23</u>	—
		64.27	84.91
Total Assets		<u>109.96</u>	<u>130.60</u>
<b>EQUITY AND LIABILITIES</b>			
<b>1. EQUITY</b>			
(a) Equity Share Capital	5	440.14	440.14
(b) Other Equity	6	<u>(542.32)</u>	<u>(521.28)</u>
		(102.18)	(81.14)
<b>2. LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial Liabilities			
(i) Borrowings	7	211.81	211.48
(ii) Trade Payables	8	<u>0.33</u>	<u>0.26</u>
		212.14	211.74
<b>TOTAL</b>		<u>109.96</u>	<u>130.60</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 [ KK SARDANA  
VK SURI  
DHIRAJ SARDANA  
BHAVDEEP SARDANA

Place : Phagwara  
Dated : 11th June, 2020

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

	NOTE	FOR THE YEAR ENDED 31.03.2020 (₹ LACS)		FOR THE YEAR ENDED 31.03.2019 (₹ LACS)	
1. Revenue From Operations	9	-	-	-	-
2. Other Income	10	-	-	-	-
<b>Total Revenue (I)</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3. Expenses</b>					
Employees Benefits Exps.	11	0.07	0.07	0.07	0.07
Depreciation & Amortisation	12	-	-	-	-
Other Expenses	13	20.97	21.04	21.06	21.13
<b>Total Expenses (II)</b>		<u>21.04</u>	<u>21.04</u>	<u>21.06</u>	<u>21.13</u>
<b>4. Profit/Loss Before Tax (I-II)</b>		<b>(21.04)</b>	<b>(21.04)</b>	<b>(21.13)</b>	<b>(21.13)</b>
<b>5. Provision for Tax</b>					
Current Tax		-	-	-	-
Deferred Tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>6. Profit/Loss for the Period</b>		<b>(21.04)</b>	<b>(21.04)</b>	<b>(21.13)</b>	<b>(21.13)</b>
<b>7. Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total Comprehensive Income</b>		<b>(21.04)</b>	<b>(21.04)</b>	<b>(21.13)</b>	<b>(21.13)</b>
<b>9. Earnings Per Share</b>					
(i) Basic		-	-	-	-
(ii) Diluted		-	-	-	-

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 [ KK SARDANA  
VK SURI  
DHIRAJ SARDANA  
BHAVDEEP SARDANA

Place : Phagwara  
Dated : 11th June, 2020

**STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020**

(₹ LACS)

**A. EQUITY SHARE CAPITAL**

Bal at beginning of reporting period, i.e. 1st April, 2018	Changes in Equity Share Capital during 2018-19	Balance at end of reporting period, i.e. 31st March 2019	Changes in Equity Share Capital during 2019-20	Balance at end of reporting period, i.e. 31st March 2020
440.14	-	440.14	-	440.14

**B. OTHER EQUITY**

	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
<b>As at 31st March 2019</b>					
<b>Reserve &amp; Surplus</b>					
Profit & Loss Account	(500.15)	(21.13)	-	-	(521.28)
<b>Total</b>	<b>(500.15)</b>	<b>(21.13)</b>	-	-	<b>(521.28)</b>

	Bal at beginning of reporting period, i.e. 1st April, 2019	Total Comprehensive income of year	Dividend	Tax on Dividend	Balance at end of reporting period, i.e. 31st March 2019
<b>As at 31st March 2020</b>					
<b>Reserve &amp; Surplus</b>					
Profit & Loss Account	(521.28)	(21.04)	-	-	(542.31)
<b>Total</b>	<b>(521.28)</b>	<b>(21.04)</b>	-	-	<b>(542.31)</b>

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 [ KK SARDANA  
VK SURI  
DHIRAJ SARDANA  
BHAVDEEP SARDANA

Place : Phagwara  
Dated : 11th June, 2020

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

	For the Year Ended 31st March, 2020 (₹ lacs)	For the Year Ended 31st March, 2019 (₹ lacs)
<b>A. NET PROFIT BEFORE TAX</b>	<b>(21.04)</b>	<b>(21.13)</b>
<b>Adjustments for</b>		
Depreciation	-	-
Operating Profit before Working Capital Changes (A)	<u>(21.04)</u>	<u>(21.13)</u>
<b>Adjustments for</b>		
Receivables	20.63	20.63
Inventories	-	-
Current Assets	(0.23)	-
Current Liabilities (B)	<u>0.40</u>	<u>0.27</u>
<b>Cash Generated from Operations (A-B)</b>	<b>(0.24)</b>	<b>(0.22)</b>
Income Tax for the period	-	-
<b>NET CASH FROM OPERATING ACTIVITIES (C)</b>	<u><b>(0.24)</b></u>	<u><b>(0.22)</b></u>
 <b>CASH FROM FINANCING &amp; INVESTING ACTIVITIES</b>		
Increase/Decrease in Fixed assets	-	-
Increase/Decrease in Security Deposits	-	-
Increase/Decrease in Share Capital	-	-
Increase/Decrease in Reserve & Surplus	-	-
<b>NET CASH FROM FINANCING &amp; INVESTING ACTIVITIES (D)</b>	<u><b>-</b></u>	<u><b>-</b></u>
 Net increase in Cash and Cash Equivalents (C+D)	<b>(0.24)</b>	<b>(0.22)</b>
Opening Cash and Cash Equivalents	<u>2.38</u>	<u>2.60</u>
Closing Cash and Cash Equivalents	<u><b>2.14</b></u>	<u><b>2.38</b></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 [ KK SARDANA  
VK SURI  
DHIRAJ SARDANA  
BHAVDEEP SARDANA

Place : Phagwara  
Dated : 11th June, 2020

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

**FIXED ASSETS AS ON MARCH 31, 2020**

(₹ LACS)

Particulars	GROSS BLOCK			DEPRECIATION BLOCK			NET BLOCK	
	Cost As on 1.4.2019	Additions	Cost As on 31.03.20	Upto 31.03.2019	For the Year	Upto 31.03.2020	As on 31.3.2020	As on 31.3.2019
Land	44.17	--	44.17	--	--	--	44.17	44.17
Tubewell	30.49	--	30.49	28.96	--	28.96	1.52	1.52
<b>Total</b>	<b>74.66</b>	<b>--</b>	<b>74.66</b>	<b>28.96</b>	<b>--</b>	<b>28.96</b>	<b>45.69</b>	<b>45.69</b>



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

	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>2. TRADE RECEIVABLES</b>		
Considered doubtful	206.32	206.32
Less : Provision for Bad debts	(144.42)	(123.79)
	<u>61.90</u>	<u>82.53</u>
<b>3. CASH &amp; CASH EQUIVALENTS</b>		
Cash in Hand	0.01	0.01
Balance with Scheduled Banks - in Current accounts	2.13	2.37
	<u>2.14</u>	<u>2.38</u>
<b>4. OTHER CURRENT ASSETS</b>		
Recoverable in Cash or kind	0.23	-
	<u>0.23</u>	<u>-</u>
<b>5. EQUITY SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
50,00,000 Equity Shares of ₹ 10/- each each fully paid	<u>500.00</u>	<u>500.00</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
4401400 Equity Shares of ₹ 10/- each fully paid (4401400 Equity shares held by Holding Co.)	<u>440.14</u>	<u>440.14</u>
	<u>440.14</u>	<u>440.14</u>
<b>6. OTHER EQUITY</b>		
<b>Profit &amp; Loss Account</b>		
Profit/(Loss) brought forward	(521.28)	(500.16)
Add : Current Year Profit/(Loss)	(21.04)	(21.13)
	<u>(542.32)</u>	<u>(521.28)</u>
<b>7. SHORT TERM BORROWINGS</b>		
Advances from Holding Co. (Unsecured)	<u>211.81</u>	<u>211.48</u>
	<u>211.81</u>	<u>211.48</u>
<b>8. TRADE PAYABLES</b>		
Trade payable for Expenses	0.33	0.26
	<u>0.33</u>	<u>0.26</u>

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

	AS ON 31.3.2020 (₹ LACS)	AS ON 31.3.2019 (₹ LACS)
<b>9. REVENUE FROM OPERATIONS</b>	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>10. OTHER INCOME</b>		
Other Income	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>11. EMPLOYEES BENEFITS EXPENSES</b>		
Salary & Wages	0.07	0.07
	<u>0.07</u>	<u>0.07</u>
	<u>0.07</u>	<u>0.07</u>
<b>12. DEPRICIATION &amp; AMORTISATION EXPS</b>		
Deprication	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<b>13. OTHER EXPENSES</b>		
(a) Manufacturing Expenses	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
(b) Administration, Selling & Other Expenses		
Postage, Telegram and Telephone	0.05	0.04
Fees, Taxes and Registration	0.06	0.10
Legal & Professional	0.16	0.22
Audit Fees	0.06	0.06
Bank Charges	0.01	-
Provision for Doubtful Debts	20.63	20.63
	<u>20.97</u>	<u>21.06</u>
	<u>20.97</u>	<u>21.06</u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2020**

**14. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Method of Accounting**

The financial statements are prepared on accrual basis under 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.

**15. Foreign Currency Transactions**

There were no foreign currency transaction during the year.

**16. 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.

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