

74th
Annual Report
2017-2018



The Sukhjit Starch
& Chemicals Limited



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. S.C. Jindal - Chairman
Sh. V.K. Sardana
Sh. Naresh Sardana
Sh. S.K. Anand
Sh. V.P. Kapahi
Smt. Ravi Chowdhry
Sh. I.K. Sardana-Managing Director
Sh. K.K. Sardana-Jt. Managing Director
Sh. M.G. Sharma-Executive Director (Fin) & CFO

BANKERS

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

ANNUAL REPORT & ACCOUNTS 2017-2018



NOTICE

NOTICE is hereby given that the 74th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Wednesday, the 8th day of August, 2018 at 10.00 A.M. at the Registered Office of the Company at Phagwara to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31.03.2018.
2. To declare dividend on the Equity Shares for the year ended 31.03.2018.
3. To appoint Director in place of Smt. Ravi Chowdhry (DIN : 07082698), who retires by rotation and being eligible, offers herself for re-appointment.
4. To ratify the appointment of Auditors for a further period of 1 year i.e. from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of the Companies Act, 2013 and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) the following resolution as a special resolution :
"RESOLVED THAT pursuant to the provisions of Section 196, 197 read with the Schedule V and other applicable provisions ,if any, of The Companies Act, 2013, the consent of the members be and is hereby granted to the re-appointment of Shri I.K. Sardana as the Managing Director of the Company with effect from 1st July, 2018 on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the re-appointment including remuneration, commission etc. payable to Shri I.K. Sardana within the limits specified in Schedule V to The Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri I.K. Sardana".
6. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2019, by passing with or without modification(s) the following resolution as an ordinary resolution :
"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration fixed by the Board of Directors payable to the Cost Auditors for conducting the audit of cost records of the Company for the financial year ending March 31, 2019, be and is hereby ratified."

Place : Phagwara.

Dated : 30th May, 2018

By Order of the Board

Sd/-

AMAN SETIA

Vice President (Finance)

& Company Secretary



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

ITEM NO. 5

Shri I. K. Sardana was re-appointed for five years in the Annual General Meeting held on 6th day of August, 2013 (with effect from 1st July, 2013). His term of office is expiring on 30th June, 2018 and your Directors, subject to the approval of the shareholders in the General Meeting, have re-appointed Shri I.K. Sardana as Managing Director of the Company for a further period of 5 years with effect from 1st July, 2018 on the following terms & conditions:-

1. The Managing Director shall act under the superintendence, control and directions of the Board of Directors and is vested with the powers of governance and control of the Company and is authorized to exercise all the powers for the general conduct of business and affairs of the company efficiently and profitably.
2. The re-appointment is made for a period of 5 years with effect from 1st July, 2018.
3. REMUNERATION:
 - (a) Salary & Allowances : ₹ 6.46 Lacs p.m. with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
 - (b) Commission: ½% (Half percent) of the net profits of the company for each financial year.
 - (c) Perquisites: Perquisites shall be allowed in addition to salary and commission & will be restricted to an amount equal to the annual salary.

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

CATEGORY 'A'

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

CATEGORY 'B'

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

CATEGORY 'C'

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

The above limits shall be subject to Schedule V of the Companies Act, 2013 and any amendment thereto as may be made by the Central Government from time to time and agreed between the Board of Directors and Shri I. K.



Sardana. He shall be entitled to actual entertainment and travelling expenses incurred during the course of business as per rules of the Company. Shri I. K. Sardana will not receive any sitting fee for attending the meeting of the Board of Directors of the Company and shall not, so long as he functions as a Managing Director of the Company, become interested or concerned directly or through his wife or minor children in any selling agency of the company or any of its subsidiary companies, without prior approval of the Central Government.

Sh. I.K Sardana (being 72 years of age) has life long Management, Commercial & Administrative experience to his credit. The company has grown significantly with new projects, expansions or diversified product portfolios under his able stewardship. The Company has shown a quantum jump in its turnover and profitability over the years. The Board, recommends his re-appointment for a period of five years w.e.f 1st July, 2018 (with the approval of the shareholders by way of special resolution) so as to continue benefitting from his lifelong experience and astute leadership in all overall interest and future growth of the company in the overall interest and future growth of the company.

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

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors i.e. Audit fee of ₹ 80000/- (as per Previous Year) plus applicable taxes and reimbursement of travelling/other out of pocket expenses(if any), for the financial year ending March 31, 2019 by passing an Ordinary Resolution as set out at Item No. 6 of the Notice.

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

NOTES :

- 1. A MEMBER ENTITLED TO ATTEND AND A VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Members intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.03.2018 and Profit & Loss Account for the year ended on that date together with the Independent Auditors' Report and Directors' Report thereon are also enclosed. Members, are, however, requested to bring their copies of the Annual Report to the meeting.



3. The notice of the AGM along with the Annual Report for the financial year 2017-18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
4. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail Ids by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents / all communications including Annual Reports, Notices, circulars etc. in electronic form.
5. The Register of Members and the Share Transfer Books of the Company shall remain closed from 4th August, 2018 to 8th August, 2018 (both days inclusive).
6. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
7. The payment of dividend (as recommended by the Board) will be made on and from 13.08.2018, after its approval in the AGM :-
 - (a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) on close of business hours on 2nd August, 2018.
 - (b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 2nd August, 2018.
8. Members are hereby informed that, Dividends which remain unclaimed / unencashed for over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 125 of the Companies Act, 2013. Members can claim the transferred amount from IEPF Authority as per the procedure laid down under the Act.
9. Members, who have not en-cashed their dividend warrants for Interim and Final Dividend for the financial year 2010-2011, 2011-2012, 2012-2013, 2013-14, 2014-15, Interim Dividend 2015-16, 2016-17 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid / unclaimed amount will be deposited in the Investors Education and Protection Fund as per the schedule given below :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2010-2011 (Final Dividend)	01.08.2011	31.07.2018
2011-2012	09.08.2012	08.08.2019
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023
2016-2017	27.07.2017	26.07.2024



10. Members holding shares in single name and physical form are advised to make nomination in respect of their share-holding in the Company. Every person, who becomes the nominee under the provision of the Act, may upon the production of such an evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be, as the deceased holder could have made.
11. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to notify their PANs to their Depository Participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PANs to the Company / RTA.
12. Information under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, Mumbai in respect of Director seeking appointment / re-appointment at the Annual General Meeting is given hereunder :-

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

Smt. Ravi Chowdhry has a Master's degree in English from Punjab University and pursued her Post Graduation in teaching in New Castle, U.K, She retired as Head of Department from Comprehensive school, New Castle, U.K. She has a vast experience in the field of administration & social work and has been associated with various councils, societies and other social organizations. By virtue of lifelong experience in the diverse field she contributes a lot of value in board deliberations to guide the future of the company. The board therefore, recommend her reappointment in the interest of the company.

She does not hold any other directorship and holds 258869 shares of our company.

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

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

Commencement of e-voting : From 9.00 A.M. on 5th August, 2018

End of e-voting : Upto 5.00 P.M. on 7th August, 2018

E-voting shall not be allowed beyond 5-00 P.M. on 7th August, 2018. During E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut off date, may cast their vote electronically. The cutoff date of e-voting is 3rd August, 2018. The date of determination of shareholders for the purpose of dispatch of notice is 22nd June, 2018.



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

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

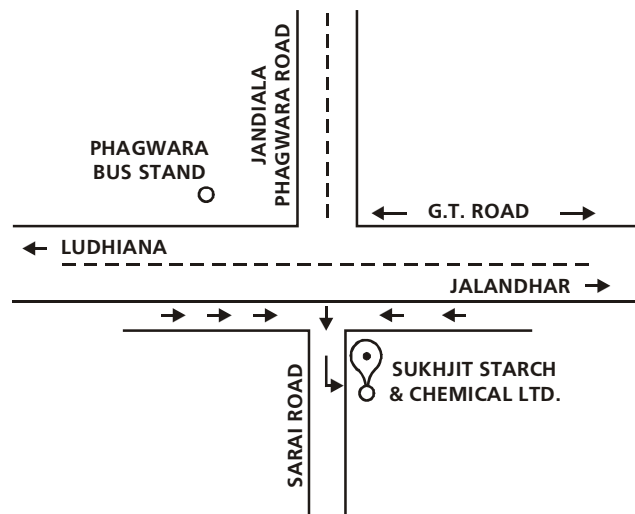
Process / Manner of e-voting - For the Shareholders :

The detailed instructions for E-voting have been given separately in the attached format for E-voting.

In case of any queries, you may refer the frequently asked questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.

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

Route Map to the venue of the AGM





FROM THE DESK OF MANAGING DIRECTOR



I.K. Sardana

Just Imagine...



Roti, Kapada, Padai, Dawai aur Makaan

and now Imagine :



Sukhjit, Sukhjit, Sukhjit, Sukhjit and REAL SUKH



India's population: 132 crore

India has more than 50% of its population below the age of 25 and more than 65% below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030

Literacy Rate : 80%

Per capita income : \$ 1982 in 2017

Expected to cross : \$ 3006 in 2022



JUST IMAGINE, when the common man's income will be up by 50%, what he is going to do. Where our young literate population will spend and how their preference will be influenced in coming days



As proxy play of FMCG, pharma, paper and food products, we expect that India's consumption will increase by double by 2025. We, through our products are enhancing quality of life and contributing for a Better future.

In the context of the global starch industry, India is still a nascent production center as well as a market. Currently, the key users paper, pharma and food industry are doing extremely well. Textiles are also expected to show double digit growth in next few years.



Our marketing and sales team assessment are very positive as most of the producers/manufactures are in the expansion mode right now. The most interesting and promising of all the sectors is the high value food processing industry where the demand for starches and derivatives is in a nascent stage, but strong. The Indian food processing industry has been one of the most prosperous sectors in India in the last few years. Expansion by major players like ITC, Nestle, , GSK, Britannia, Dabur, Pepsi, Dominos, Kellogg and other FMCG player witnessing major growth. The fast food habits are the main reason for the mushrooming growth in quick-bite restaurants and take aways. The spiraling use of high fructose corn syrup (HFCS) in a variety of foods and beverages is a factor that will keep the demand for corn starch based sweeteners high.

2017 has been an exciting and eventful year with significant milestones. In July 2017, Smt. Harsimrat Kaur Badal, Union Minister of Food Processing Industries, Government of India laid the foundation stone of the 55 acre Sukhjit Mega Food Park in Punjab. The maize processing facility would be a major help to farmers to shift from water-guzzling paddy.



The Mega food park will entail a capex of ₹125 crore. The same will be funded by ₹ 50 crore subsidy from the Central Government, ₹ 40 crore debt and rest by promoter equity. Till date we have spent around ₹25 crore on the project and received ₹15 crore as the subsidy. We plan to reduce cost structure through Readiness. The new design facility, one of its kind in India , will be focused on improving efficiency and cost by leveraging latest world class technology and integrated value chain.

In the Mega food park project, we are also setting up a maize processing unit that will have a capacity of 600 TDP maize processing . This will increase the present production capacity of the Company by about 50% for



manufacturing maize starch and its derivatives. The unit is being set up as an anchor unit in the Sukhjit Mega Food Park and it will have the benefit / access to various infrastructural facilities being developed by Mega Food Park for generation of electricity, steam, storage of raw material, treatment of process water etc.

The anchor unit will entail a capex of ₹ 150 crore and will be operation by 3rd Qtr of 2019. If everything goes right, we will close next year capacity with 1800 TPD.

We derive only a few dozens of products from corn whereas more than 1000 products of starch and starch derivative are being derived in the international arena. Our vision is that India should imagine itself with us. All our R & D priorities are driven by the needs of the market, which are increasingly focusing on food/nutrition, selected health and few industrial applications like paper and packaging.

All new products are being developed along with the long-term relationships with the end users. Our long history of technology and expertise will help broad-based VERSATILE and unique customers in the longer run. As the sales progress, we will advance our product-innovation work, broaden our portfolio and going to replicate our regional as well as national strength.

This year is special for all the family members of Sukhjit Starch.

In this 75th of our corporate existence, let me share another big plan of the management. After taking feedback from our marketing and R & D team, shareholders will be pleased to learn that we are planning another expansion next year which will take the total capacity of the Sukhjit to 2500 TPD by 2021. The same will be done through internal accruals, Debt / equity.

Today the size of the industry is also negligible compared to international market. Major players in the corn starch market are focused on geographical and production capacity expansion. Companies are increasingly focusing on offering cost-effective solutions. Globally, Key players in the corn starch market include Cargill, Incorporated, Archer Daniels Midland Company, Kent Corporation - Grain Processing Corporation, Associated British Foods plc, Global Bio-chem Technology Group Company Limited, TereosSyril S.A.S, Roquette Frères S.A., Tate & Lyle PLC, Ingredion Incorporated, and AGRANA - Beteiligungs AG.

Some of these respectable and ethical companies are our local competitors right now. Some of them are still testing waters and may be looking for interesting acquisitions going forward.

Going forward I can predict there is a consolidation within the industry and there be only 4-5 big players like Sukhjit, who follow the standard & ethical business practices, will be able to sustain and do.

But our strong foundation is our strength. Our corn processing footprints which are strategically positioned for efficient origination and distribution in various states will help us to achieve reasonable profits even if oil crosses \$100 per barrel mark. Despite new strong, mature and responsible players will enter this industry, the fight for the grind will continue and we believe that both sweeteners and starches will at least grow by more than GDP in next 10 years on CAGR basis.



In continuation with our commitment to a healthier environment, we continue to focus on measures for the conservation and optimal utilization of energy in all the areas of operations, including those for energy generation and effective usage of sources. In all our facilities, we are consistently improving operational efficiencies, minimizing consumption of natural resources and reducing water, energy and specific direct greenhouse gas emissions while maximizing production volumes.

We aim to work with farmers to achieve safe, quality raw materials, and keep young, educated and talented farmers in the business. We did few seminars/orientation program in few specific sector last year. We plan to educate and literate 3X farmers and their community about the benefits of the Maize crop in 2018.

The time is changing. Sukhjit has been in starch business for over 74 years and has been a part of the societal, economic and other changes, the country has witnessed. The industry is evolving at a tremendous pace and we would like to ride the tide and be ahead of the curve in some cases.

At this age, i have to reinvent myself in this digital Age to learn NEW type of dynamics. I believe even the Sukhjit starch (which is 75 year old) has to reinvent itself. In todays world, everything is available on google. We just need to find ourself, reinvent our techniques and procedures to be most efficient player and qualitative player. Ethics, transparency and human touch is still above everything for me and my team and I promise to my co-shareholders that the custom or religion will remain same in this company for next 75 years also.

In this entire journey of last 75 years, our customers/buyers have been at the heart of our initiatives and I sincerely thank them for their trust and support. Management of Sukhjit feel a strong sense of responsibility to sustain and strengthen relationships with customers, raw material suppliers/agents, stakeholders and local communities. I also want to thank Ministry of Food Processing, Government of India and State Government for their unconditional support for our expansion plans. Their confidence in the company is the backbone of our future success.

I.K. Sardana



DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 74th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2018 :-

1. FINANCIAL RESULTS

	2017-18 (₹ in Crores)	2016-17 (₹ in Crores)
Sales & Other income	713.25	685.40
Earning before Interest, tax and Depreciation	68.43	52.72
– Less Interest	17.54	12.80
– Depreciation	14.72	11.79
Profit before tax	36.18	28.14
– Provision for taxes (including Deferred Tax)	13.15	9.15
Profit After Tax	23.02	18.98
Surplus brought forward from previous year	17.55	8.56
Surplus available for appropriation	21.13	17.55
Dividend (including Corporate Tax)	5.77	4.44
Transfer to General Reserves	15.00	10.00
Surplus carried forward	21.13	17.55

Indian Accounting Standards 2015:

The financial statements of the Company as well as the Consolidated financial statements upto the year ended 31st March, 2017 had been prepared & presented according to Accounting Standards notified under The Companies (Accounting Standards) Rules, 2006 as amended. The annexed financial statements comply with the Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act, 2013/ Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act as amended. These financial statements are the first statements of the Company under the Ind AS and provide the necessary details concerning the transition from previous GAAP to Ind AS.

2. PERFORMANCE

The Sales and other income of the Company have increased from ₹ 685 crores to ₹ 713 crores. However, sales of F.Y. 2016-17 included Excise Duty of ₹ 31.41 crores against ₹ 7.61 Crores in the sales of current year as the sales after 1st July have been taken net of GST. Thus for the purpose of comparison, sales (net of excise duty/ GST) & other income have increased to ₹ 705.64 crores from ₹ 654 crores previous year. The Earnings before interest, tax and Depreciation stood at ₹ 68.43 Crores (₹ 52.72 crores) showing an increase of about 30% during the year under reference which after interest of ₹ 17.54 crores (₹ 12.80 crores) and Depreciation of ₹ 14.72 crores (₹ 11.79 crores) resulted in the Net Profit before tax at ₹ 36.18 crores (₹ 28.14 crores) with an increase of over 28%.



DIRECTORS' REPORT

3. FUTURE PROSPECTUS

With the prediction of normal monsoons during the running year, it is expected that the production of agriculture produce will improve the availability of basic raw material at an optimum cost with positive impact on the profitability of the Company. Good production of the agricultural produce will also ensure continuous supply of raw material at all plant locations of the Company. The Company is expected to show reasonable growth in its operations in the running year due to optimum utilization of its increased capacities at H.P and W.B Units.

4. NEW PROJECT

The Company is setting up a new unit as an Anchor unit in the Mega Food Park in the name and style of M/s Sukhjit Corn Products at Rehana Jattan, Teh. Phagwara, Punjab with maize grind capacity of 600 TPD. The unit will entail a Capex of around 150 crores and is expected to be commissioned and commence operations in the 3rd quarter of the F.Y. 2019-20.

5. MANAGEMENT DISCUSSION AND ANALYSIS

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management's discussion and analysis report is annexed herewith marked as 'Annexure A' and forms a part of this report.

6. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all the applicable laws, rules and regulations. In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has duly implemented the system of Corporate Governance. The report on Corporate Governance is annexed herewith marked as 'Annexure B' to this report.

7. DIVIDEND

The Directors are pleased to recommend a dividend of 65% (i.e. ₹ 6.50/- per Equity share of ₹ 10/- each) during the financial year ended 31st March, 2018 against dividend @ 50% (i.e. ₹ 5/- per Equity share of ₹ 10/- each) paid in 2016-17.

8. TRANSFER TO RESERVES

The Company has transferred ₹ 15 crores (PY ₹ 10 crores) to the general reserve.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the Annual Accounts for the financial year ended 31st March, 2018, the applicable Indian Accounting Standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year so ended;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the Annual Accounts for the financial Year ended 31st March, 2018 on a 'going concern' basis;



DIRECTORS' REPORT

- (e) they 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
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. DEPOSITS

All the deposits have been accepted/ renewed / repaid as per the provisions of the Act. The company had no unclaimed / unpaid deposits on 31/03/2018.

11. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara: The Company has incurred operational loss for the year under reference due to lower productivity. It expects to improve upon its performance during the running year.
- (b) Scott Industries Ltd., Phagwara: The Company has shut down its operations. Most of its assets have been already disposed off and efforts are on to realize the dues from its old customers.
- (c) Sukhjit Mega Food Park & Infra Ltd., Phagwara: The Unit is going on at site as per the schedule and the Company has already spent over ₹ 25 crores on the Project. A sum of ₹ 15 crores has been received as the 1st Installment of subsidy from Ministry of Food Processing Industries (MoPFI), Government of India and expect to get another ₹ 15 crores (2nd Installment) within this Year. The total Project costs is around ₹ 125 crores and the Project is expected to be commissioned in the 3rd quarter of the F.Y. 2019-20.

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

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Consolidated Financial Statements of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Indian Accounting Standard(s) as prescribed under the Companies Act, 2013.

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2018 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company who may be interested in seeking such information and are also available for inspection by any shareholder of the Company at the registered office of the Company. The Company shall furnish a copy of details of annual accounts of subsidiaries to any shareholder on demand.

12. CONTINGENT LIABILITY

Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.34 Crores. The amount mainly includes ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the



DIRECTORS' REPORT

demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of ₹ 1.18 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner and ₹2.22 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh and balance on account of other Misc. service tax demands due to difference of opinion.

13. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

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

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of the employees who are in receipt of remuneration over ₹ 60.00 Lacs p.a. if employed throughout the year or ₹ 5.00 Lacs p.m. if employed for a part of the year during 2017-18 are given below :

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	72	Managing Director	124.38
2	Shri K.K. Sardana	70	Jt. Managing Director	113.34

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	52	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	47	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)

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

– NIL –

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



DIRECTORS' REPORT

14. DIRECTORS

- (a) In accordance with the provisions of the Act, Smt. Ravi Chowdhry retires by rotation and being eligible, the Board recommends her reappointment.
- (b) The Company has received declarations from all the Independent Directors of the company confirming that they meet the criteria of independence and comply with all the requirements in pursuance to subsection (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to be appointed as independent directors under the provisions of the Act and rules thereunder.
- (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.

15. INTERNAL FINANCIAL CONTROLS

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

16. VIGIL MECHANISM

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

17. AUDIT COMMITTEE

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



DIRECTORS' REPORT

18. INTERNAL COMPLAINTS COMMITTEE

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.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities conducted during the financial year 2017-18 is annexed herewith marked as 'Annexure D' to this report.

20. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Company has not entered into any material transaction with its Promoters, Directors, Key Managerial Personnel or their Relatives which could have potential conflict with the interest of the Company. The salaries/ remuneration of the directors and KMPs have been fixed after due consideration by the Nomination and Remuneration Committee / Board / Shareholders as per applicable provisions of the Act. However, the transactions with subsidiary Companies are incurred after due appraisal and approval at Director's level / Audit Committee, which are in the ordinary course of business and are at arm's length price, in terms of IND AS-24 and given as per Point No. 6 of the Notes to Accounts forming part of the Annual Report. Policy on related party transactions of the company stands placed on the Company's website at the link: http://sukhjitgroup.com/Policy_dealing.html.

21. MEETINGS OF THE BOARD

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

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

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

23. EXTRACT OF ANNUAL RETURN

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

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

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



DIRECTORS' REPORT

25. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

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

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

Cost Auditors :

The Board of Directors recommends, subject to the approval of the Central Government, the re-appointment of M/s Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2018-19. The Cost Audit Report for the financial year ended 31st March 2018 is due to be filed with the Ministry of Corporate affairs on or before the September, 2018 and the cost audit report for the financial year ended 31/03/2017 was duly filled on 29/09/2017.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18. The Secretarial Audit report for the financial year ended March 31, 2018 is annexed herewith marked as 'Annexure G' to this report. The Board of Directors have re-appointed M/s Dinesh Gupta & Co., Practicing Company Secretaries, as Secretarial Auditors for the financial year 2018-19.

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

26. ACKNOWLEDGEMENT

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

Yours truly,

For and on behalf of the Board,

Sd/-

S.C. JINDAL

Chairman

Dated : 30th May, 2018

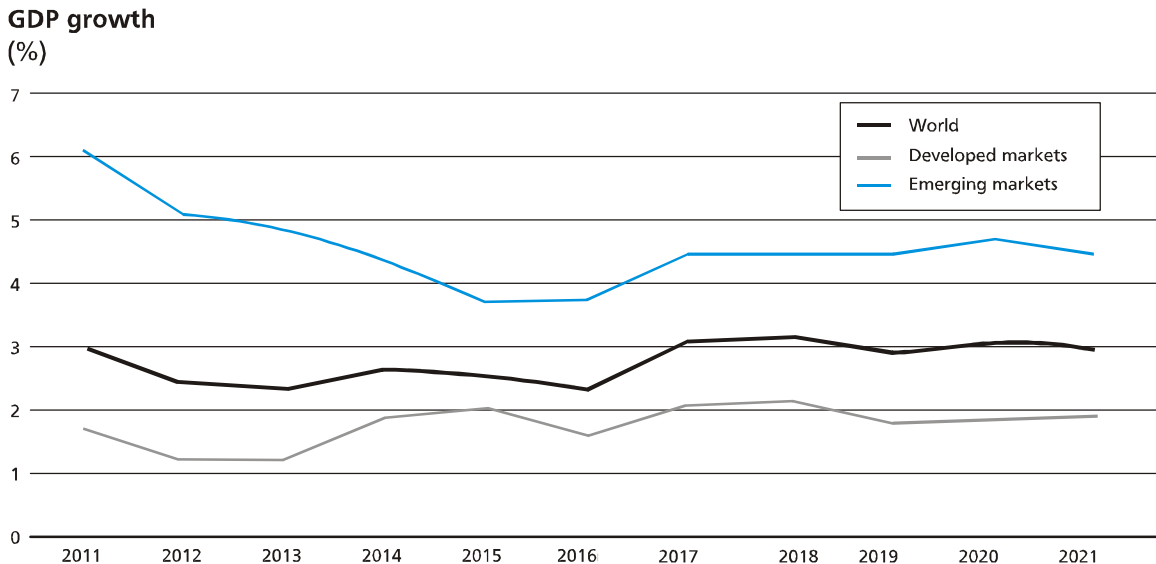


ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

Global Economy Outlook

Global economic activity continues to firm up. Global output is estimated to have grown by 3.7 percent in 2017, which is 0.1 percentage point faster than projected in the fall and ½ percentage point higher than in 2016. The pickup in growth has been broad based, with notable upside surprises in Europe and Asia. Global growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage point to 3.9 percent. The revision reflects increased global growth momentum, as per January 2018 World Economic Outlook (WEO) forecast. The cyclical upswing underway since mid-2016 has continued to strengthen. Some 120 economies, accounting for three quarters of world GDP, have seen a pickup in growth in year-on-year terms in 2017, the broadest synchronized global growth upsurge since 2010. Among advanced economies, growth in the third quarter of 2017 was higher than projected in the fall, notably in Germany, Japan, Korea, and the United States. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the fall forecasts. High-frequency hard data and sentiment indicators point to a continuation of strong momentum in the fourth quarter. World trade has grown strongly in recent months, supported by a pickup in investment, particularly among advanced economies, and increased manufacturing output in Asia in the run up to the launch of new smartphone models. Purchasing managers indices indicate firm manufacturing activity ahead, consistent with strong consumer confidence pointing to a healthy final demand.



Source: Atkearney

Indian Economy Outlook

India's economic growth will accelerate in the current and next fiscal years, the International Monetary Fund (IMF) projects the country's position as the world's fastest-growing major economy and opening a wider gap with China, which is projected to slow.

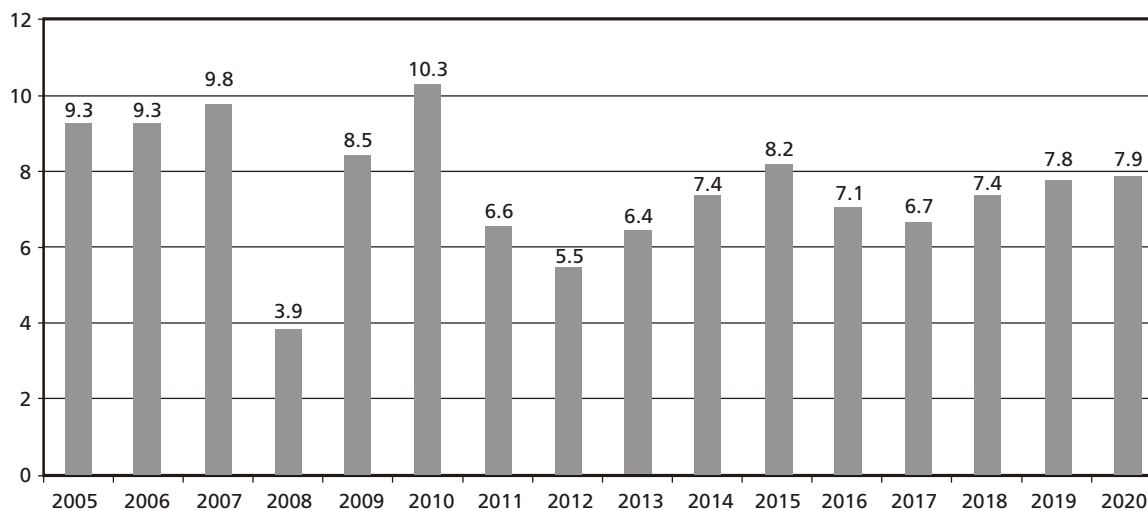


ANNEXURE 'A' TO THE DIRECTORS' REPORT

India's economy is forecast to grow 7.4% in the current fiscal from 6.7% in FY18 and accelerate further in FY19 to 7.8%. There will be a gradual increase in India's growth rate as structural reforms raise potential output. China is forecast to slow from 6.9% in 2017 to 6.6% in 2018 and further to 6.4% in 2019.

Growth in India is projected to be lifted by strong private consumption as well as fading transitory effects of the currency exchange initiative and implementation of the national goods and services tax. Over the medium term, growth is expected to gradually rise with continued implementation of structural reforms that raise productivity and incentivise private investment. The Reserve Bank of India also expects the economy to grow 7.4% this fiscal. India has made progress on structural reforms in the recent past and the implementation of the goods and services tax will help reduce internal barriers to trade, increase efficiency and improve tax compliance. The corporate debt overhang and associated banking sector credit quality concerns have exerted a drag on investment in India. Further, the re-capitalization will improve the banking sector's ability to support growth.

Real GDP growth (Annual percent change)



Additionally, the beginning of 2017 had a slow start because of the effects of demonetization that made consumers restrict their consumption. There was a slow revival of consumption with the urban market being more resilient compared to rural India. Towards the middle of the year, the economic growth improved. Inflation in the country continued to be moderate during 2017-18, Consumer Price Index was the lowest in the last six financial years. GST was introduced in India that should positively impact the economic environment in the long term, but created short term challenges in the trade.

Considerable steps were taken by the government to bolster the food-processing sector. The Ministry of Food Processing Industries organized World Food India 2017 (WFI 2017), India's first ever platform that positions India as a preferred investment destination and manufacturing hub for the global food industry. As per the government of India data, WFI 2017 attracted an investment intent of USD 13.56 billion from domestic and foreign investors for the food processing sector. Government initiatives were rolled-out to increase the capacities in the entire supply chain of food processing.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Multilateral agencies have been positive about India's growth story. This was evident, as India jumped 30 spots on the World Bank's Ease of Doing Business rankings. India's ranking in the world has improved by a position to 126, as its per capita GDP in PPP terms increased from USD 6,690 in 2016 to USD 7,170 in 2017, as per data from International Monetary Fund (IMF).

Opportunities

Private consumption combined with ongoing structural reforms are expected to continue to boost economic activity in India. More transparent regulatory environment and evolving food laws are making India emerge as an attractive business destination, creating opportunities for investment and growth especially in the processed foods sector.

Consumers in India are fast evolving; they are young, aspirational and have higher disposable income. The young India is more health and fitness conscious. Rise in lifestyle diseases has also prompted the Indian consumers to evaluate their food habits more closely and make lifestyle changes, where required.

A faster pace of growth in manufacturing at 9.1 per cent, compared with 6.1 per cent a year ago, helped lift overall economic growth in the Jan-March quarter.

The farm sector also grew at a healthy rate of 4.5 per cent, while construction activity, powered by government investments in the highways sector, clocked a double digit growth of 11.5 per cent to give a fillup to the economy.

The significant expansion in GDP print has been powered by a broad-based upturn in farm output, improved manufacturing performance and a vibrant services sector. The rebound in growth reinforces that the economy is back on track and is set for a strong recovery after the period of disruptions sparked by demonetization and GST implementation.

On the production side, manufacturing, agriculture and construction were the main contributors to growth.

Government spending recorded the highest growth rate (16.8 percent compared to 6.8 percent in Q4), followed by gross fixed capital formation (14.4 percent compared to 9.1 percent), stocks (7.8 percent compared to 7.2 percent) and household consumption (6.7 percent compared to 5.9 percent). On the other hand, exports slowed (3.6 percent compared to 6.2 percent) and imports rose faster (10.9 percent compared to 10.5 percent). Household spending accounted for 54.6 percent of the GDP; gross fixed capital formation for 32.2 percent; public expenditure for 9.5 percent; and changes in stocks for 0.7 percent. Exports accounted for 19.5 percent while imports subtracted 20.9 percent.

Economic growth is projected to improve above 7%, gradually recovering from the transitory adverse impact of compliance and difficulties faced on rolling out the Goods and Services Tax (GST) and measures to choke off the black economy, including demonetization. It is expected that in the longer run, the GST will boost corporate investment, productivity and growth by creating a single market and transparency. Investment will be further



ANNEXURE 'A' TO THE DIRECTORS' REPORT

supported by the plan to recapitalize public banks and enhancing the road infrastructure. Measures taken to digitalize the economy and improve tax compliances should boost tax revenues in the medium term.

Low crude oil prices in the last two years have helped India improve fiscal deficit situation however crude oil prices have seen a sharp recovery in the last few months and it may have an adverse impact on macro-economic situation in India

Government initiative on 'Make in India' has still not shown any visible beginning or impact on manufacturing sector in India relevant to company's business.

Industry and Company Scenario

Corn Starch production in India is very fragmented as there are a large number variety of producers or manufacturers with different production capacities.

Despite India having abundant supply of maize as well as the other raw materials used in the processing or production of starch, the same remains untapped due to legal restrictions relating to the use of modified starches in the country. As such, raw materials needed for the growth of the industry is not the issue that has to be tackled. The annual maize or corn production in India is around 25 million tonne. The main percentage of maize produced is used in its unprocessed form and only a small portion goes into use for corn starch production.

The main process which is used in the corn starch processing is corn wet milling. In spite of the fact that small percentage of corn is used for corn starch production, the starch processing industry is one of the top 5 processing industries in the country. It is one of the few industries that have a development period of more than 15 years behind it. The growth of corn starch processing industry can be gauged from the very fact that about 40% of all the manufacturing companies involved in starch processing are new entrants to the field.

The corn starch market can be segmented into native starch, modified starch and sweeteners. The sweeteners segment currently dominates with a share of over 50% in the global corn starch market. The market for starch derivatives & sweeteners dominated in 2016, with the largest share in terms of volume consumption.

Basis application, the corn starch market is segmented into FMCG, Paper Industry, Pharmaceuticals, Textiles and others. In the recent years, the FMCG's food and beverages segment accounted for the highest share in the global corn starch market by application and is anticipated to continue to remain the leader during the next decade.

The growing consumption of convenience foods and the healthy year-on-year growth in the paper and textile industries are creating highly a fertile ground for the growth in corn starch sales in India. Consumers of corn starch are seeking alternatives to cane sugar that are cheaper yet seamlessly fit into various applications, which is translating into high demand for corn starch.

Additionally, Industrial starches are largely used as adhesives in paper and packaging material manufacturing, etc. There is an increase in the demand for the adhesive in the packaging industry, which is helping its growth.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

In the context of the global starch industry, India is still a nascent production center as well as a market. The per capita consumption is much lower than the world average. Currently, the key users paper, pharma and food industry are doing extremely well. Textiles are also expected to show double digit growth in next few years.

With the growing awareness for nutritive and quality food by growing health conscious population, the demand for fast food is rising and will continue to rise with increase in global population and expandable income. We continued to believe that one of the first things that people aspired to have good quality food. So even as people are enjoying and developing new varieties of food and tastes, we were convinced that there was a really large consuming population that were yet to buy quality products with longer shelf life.

Demand in Indian market is recovering steadily after disruptions caused by demonetization and GST and situation is normalizing. Company experienced sudden destocking measures taken by its customers around GST roll out which had a significant adverse impact on the growth of the Company in 2017 leading to lower than expected growth. Introduction of GST is expected to shift demand from unorganized businesses to organized business. Some of company's customers especially in Pharma, paper & food sectors are investing in expanding capacities in anticipation of increase in demand in the coming years.

Despite these issues and challenges, Company has delivered another year of satisfactory growth and posted profits on expected lines. Company's financial performance is a testimony of its strengths in the area of technology, people, efficient operations, customer centric approach and ability to execute the strategy.

Company's strong and consistent financial performance is a result of its continued focus on market, its customers and relentless focus on building its capabilities in the area of its operations, human resources, technology and processes while leveraging the long and unmatched brand equity of the promoter and their experience in starch industry.

As we are heading for the general elections and there are reasonable reasons for the government to increase the MSP of maize. This is a normal practice in the last 20 years. But the same move if happen will affect every next player in the industry and their profitability.

Our long term strategy has got the answers.

We firmly believe that the buying decision has been influenced by superior product quality. We are confident that our products are better in quality and in prices.

Our greatest success has been the strengthening of organizational talent and systems to manage the rapidly expanding business.

Our vision is to establish Sukhjit as a company known for its values, assertiveness and the acumen to adapt to an ever-changing environment.

In a transforming India, a new consumer was emerging.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

A consumer willing to upgrade. Even an industry procurement head feels proud about what input is being used in his product and from which vendor it is being procured. The TRUST factor in our industry is most important and our VISION is to be no 1 in Market share of the TRUST factor.

We are working on long-term strategy to build capacities for high margin value added products while at the same time making short-term interventions.

Current Opportunity

- We strengthened our portfolio by shedding businesses that did not meet our long-term financial objectives.
- We are changing the product mix and will focus more on higher-margin value added products
- We broadened our regional footprint. We are entering emerging regional geographies
- And, we aggressively managed our costs and capital.

This work allowed us to maintain our balanced approach to capital allocation, which is to invest between 70 to 75 percent of our annual cash flow in value-creating growth projects while deploying between 25 to 30 percent either for strategic M&A or for returning to shareholders in the form of dividends.

CREATING A ROBUST BUSINESS MODEL

The starch industry is one of the most challenging.

The sector is marked by diverse variables and low industry barriers on the one hand and a growing need for sustained increase in stakeholder value on the other.

The number of variables are many. Fluctuating raw material costs. Evolving consumer preferences. Changing cost of funds. Capital intensiveness. Need for R & D and quality control. MNCs entering the sector

At Sukhjit, we graduated to a business model that we believe is likely to generate multi-year growth across industry cycles, largely insulating the company's financials from external realities.

In a sector marked by scale, the company is still the third largest in production with focus on Financials. This perspective influenced the company's capital allocation, product mix and realizations strategy, virtually defining the company's personality. As a result, the company has compromised peak margins in exchange for sustained margins, strengthening corporate stability and ideal for a capital-intensive business in a high cost economy

EVOLVING PRODUCT MIX : Over the years we have evolved our product mix. This evolution has helped the company enhance productivity, improving return on employed capital and return on equity.

FISCAL CONSERVATISM : The company has selected to pursue an incremental model, preferring to plough accruals into asset building as against the conventional mobilisation of large debt in building manufacturing scale. Over time, this preference for accrual-based investing has translated into a relatively small Balance Sheet and high interest cover in a traditionally working capital-intensive sector



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Sukhjit is amongst the most competitive companies in the industry. This competitiveness has been derived from the ability of the company to procure abundant raw material around the best price-value proposition and competitive onward conversion into quality finished products.

The Company has developed an eco- system of cost-effective raw material providers, marked by high quality and consistency standards. All raw materials are tested before use.

KEY DIFFERENTIATORS

Customer satisfaction : Sukhjit delights customers through product innovation and price innovation, enhancing consumer value to their full satisfaction.

Relationship driven: Sukhjit's relationship-driven approach is reflected in long-term associations with customers, vendors and employees.

Growth-focused: Sukhjit has focused on responsible growth: from an annual top line of ₹ 355 crores in 2012 to ₹ 713 crores in 2018.

Governance: Sukhjit believes in ethical business practices across all its stakeholders, employees, customers, vendors and the government among others, resulting in enhanced trust.

Myths and Truths about Sukhjit

Myth : we are in a commodity business.

Truth: we are in value added business although our raw material is around 60/63 % of the total cost

Myth: we are a family run business/company.

Truth: we are a company headed by family owned professionals and a team of other professionals.

Myth: our growth depends on Monsoon.

Truth: our growth in sales PARTIALLY depends on Monsoon but our bottom-line depends on the strategic procurement of raw material during the season, creditworthiness in the market and sales of value added products.

Myth: our EBITDA margins are below industry average

Truth: we just focus on quality which can only be matched by international players. Plus we do our business with 100% transparency and with ethics. We believe that buyers trust is impossible without consistency in quality improvement, new innovative products and standard business practices based on ethics & integrity.

Threats

Change in Government Policies: Your Company has threat from any substantial change of government policy that has direct or indirect effect to our business.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Technology advancement: New technological disruption in present scenario is always threat to an ongoing business. We try to minimize the threat by continuously evolving and advancing our technology to latest to improve efficiency in the work operations.

Investments by new players and MNCs to build bigger capacities

Human Resources

Human Capital has always been the most important and valuable assets to us as the Company believes in retaining its employees. The Company takes pride in commitment, competence and dedication shown by its employees at all areas of business. Various HR initiatives are taken to align HR policies to the growing requirements of the business.

The Company has a structured process and management development programs to upgrade skills of managers.

The Company has strengthened the deployment of high quality employees in key functions, through recruitments and selections. The Company firmly believes that in house human capital will see organization through success in today's highly competitive global environment. Industrial relations were cordial throughout the year and would likely to continue in future also.

Internal Control Systems and Adequacy

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

Corporate Social Responsibility (CSR)

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects, as and when required, that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

Risk Factors

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

Agricultural production and trade flows are subject to government policies, mandates, and regulations. Governmental policies affecting the agricultural industry, such as taxes, tariffs, duties, subsidies, incentives, foreign exchange rates, and import and export restrictions on agricultural commodities and commodity products, including policies related to genetically modified organisms, product safety and labeling, renewable fuels, and low carbon fuel mandates, can influence the planting of certain crops, the location and size of crop production, whether unprocessed or processed commodity products are traded, the volume and types of imports and exports, the availability and competitiveness of feed stocks as raw materials, the viability and volume of production of certain of the Company's products, and industry profitability.

The Company's operating results could be affected by changes in other governmental policies, mandates, and regulations including monetary, fiscal and environmental policies, laws, regulations, acquisition approvals, and other activities of governments, agencies, and similar organizations. These risks include but are not limited to changes in a country's or region's economic or political conditions, local labor conditions and regulations, reduced protection of intellectual property rights, changes in the regulatory or legal environment, restrictions on currency exchange activities, currency exchange fluctuations, burdensome taxes and tariffs, enforceability of legal agreements and judgments.

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

Cautionary Statement

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY :

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

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

2. BOARD OF DIRECTORS :

The Composition of the Board and category of Directors as on March 31, 2018 are given hereunder :

Category	Name of Directors	No. of Shares held
Promoter/Executive Directors	Shri I. K. Sardana (Managing Director)	574033
	Shri K. K. Sardana (Jt. Managing Director)	628450
	Shri M.G. Sharma (Executive Director (Fin) & CFO)	60
Non-Executive Promoter Directors	Smt. Ravi Chowdhry (Women Director)	258869
	Shri V. K. Sardana	32092
	Shri Naresh Sardana	1000
Independent Directors	Shri S.C. Jindal (Independent Chairman)	35220
	Shri S. K. Anand	1002
	Shri V. P. Kapahi	1000

Note : Sh I. K Sardana and Sh K. K Sardana are related to each other as brothers & Smt. Ravi Chowdhry is their sister.

During the Financial Year 2017-18, seven Board meetings were held on 24/05/17, 24/06/17, 27/07/17, 10/08/17, 08/11/17, 07/02/18 and 16/03/18.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

Familiarisation Programme for Independent Directors :-

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

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

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies	Whether attended last AGM
Shri S.C. Jindal	Independent Chairman	2	–	–	Y
Shri I.K. Sardana	Managing Director	7	3	3	Y
Shri K.K. Sardana	Jt. Managing Director	7	2	–	Y
Shri. M.G. Sharma	Executive Director(Fin) & CFO	7	1	2	Y
Shri V.K. Sardana	Non Executive Director	4	1	–	N
Shri Naresh Sardana	Non Executive Director	4	–	–	Y
Smt. Ravi Chowdhry	Women Director	1	-	–	N
Shri S.K. Anand	Independent Director	6	–	–	Y
Shri V.P. Kapahi	Independent Director	6	–	–	Y

3. COMMITTEES OF THE BOARD

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

(i) Audit Committee :

The role of Audit Committee covers the areas mentioned under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 or other matters as may be referred by the Board of Directors from time to time. These, inter-alia, include to oversee the capital & revenue budget of the Company, oversee the Company's financial reporting process, review with the management the adequacy of internal control system, hold discussions with auditors about the internal control system and scope of audit including observations of the Auditors, review company's financial & risk management policies and review with the management the quarterly, half yearly & annual financial statements before submission to the Board.

The composition of the Audit Committee is given below :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

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

(ii) Corporate Social Responsibility (CSR) Committee :

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

(iii) Stake Holders' Relationship/Grievance Committee :

The Stake Holders' relationship /grievance committee comprises of Shri S.C. Jindal as Chairman, Shri K.K. Sardana & Shri S. K. Anand as members. The Committee has been formed to take care of stake-holders / investors relationship, redress the Investors Grievances or their complaints (if any) expeditiously. Shri Aman Setia, Vice President (Finance) & Company Secretary is the Compliance officer for complying with the requirements of SEBI, Stock Exchanges, Registrar of Companies, etc. with respect to implementation of various clauses, rules, regulations and other directives of such authorities. The Company has received seventeen complaints during the year, from its shareholders, which were immediately redressed.

(iv) Nomination & Remuneration Committee :

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

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

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

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

Name	Salary	Commission	Perquisite Value	Retirement Benefits	(Amount in ₹ Lacs)	
					Sitting Fees	Total
Sh. I.K. Sardana	77.52	18.57	22.01	6.28	-	124.38
Sh. K.K. Sardana	77.40	18.57	11.11	6.26	-	113.34
Sh. M.G. Sharma	40.26	-	1.32	2.14	-	43.72



ANNEXURE 'B' TO THE DIRECTORS' REPORT

The company has been paying commission to the Non Executive Directors @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 as per the necessary approvals / sanctions obtained by way of a special resolution in the Annual General Meeting. Non Executive Directors are also paid Sitting Fee @ ₹ 9,000/- per meeting besides out of pocket expenses / traveling expenses incurred in connection with attending the said meetings. The Company does not have any Stock Option Scheme nor it has paid any amount to its directors on account of service contracts, notice period and severance fees.

Remuneration Policy :

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

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
27/07/2017	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri S.C. Jindal, Sh. Shiv Kumar Anand & Sh. V.P. Kapahi as Non Executive Independent Directors. 2. Appointment of Sh. M.G. Sharma as Executive Director (Fin) & CFO of the Company. 3. To ratify Remuneration of Cost Auditors.
27/07/2016	Regd. Office, Phagwara	10.00 A.M.	No Special Resolution was considered/passed in AGM
29/07/2015	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri K.K. Sardana as the Jt. Managing Director of the Co. for five years. 2. Increase/revision in the Salary of Shri Puneet Sardana, V.P. (Operations) of Malda unit of the Co. 3. Increase/revision in the Salary of Shri Pankaj Sardana, V.P. (Operations) of Nizamabad unit of the Co. 4. Appointment of Smt. Ravi Chowdhry as Non Executive Women Director of the Company.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 8th August, 2018.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

5. DISCLOSURES

(i) Disclosures on materially significant related party transactions :

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

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

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

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

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

6. MEANS OF COMMUNICATION :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

7. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting : 8th August, 2018 at 10.00 A.M. at the
Date, Time & Place Registered Office of the Company at Phagwara.
- (b) Financial Year : 2017–2018
- (c) Date of Book Closure : 4th August, 2018 to 8th August, 2018
- (d) Dividend Payment : Within Statutory period
- (e) Listing on Stock Exchange : Bombay Stock Exchange
- (f) Stock Code : 524542 (Listing fee as applicable has been paid)
- (g) CIN : L15321 PB1944 PLC 001925
- (h) Registrars & Share Transfer Agents : The Share Transfers are done by M/s. Skyline
Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla
Industrial Area, Phase-1, New Delhi - 110020
Phone No. (011) 26812682
E-mail ID : admin@skylinerta.com
- (i) Dematerialization of Shares : The Company's Equity Shares are held in
dematerialized form on NSDL & CDSL. 6848042
shares i.e. 92.79% of equity capital have been
dematerialized as on 31.03.18 which include
4552542 shares held by promoters' (100% in Demat
form) and 2295500 shares held by public (81.19%
held in Demat form).
- (j) Outstanding GDRs/ADRs/Warrants : The company has not issued any GDRs/ADRs/
or any convertible instruments, conversion
warrants or any convertible instruments.
data and likely impact on equity.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

	No. of Share Holders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on the date of opening of the suspense account	503	64,197
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	01	20
Number of shareholders to whom shares were transferred from the suspense account during the year	01	20
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2018	502	64,177

The voting rights on the shares outstanding in the suspense account as on 31st March, 2018 shall remain frozen till the rightful owners of such shares stake their claim to the shares.

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

- (m) Distribution of Shareholding as on 31.3.2018 :

Category	No. of Shares	Percentage
1. Promoters (including 2,95,417 shares of NRI's)	45,52,542	61.69%
2. Banks, Financial Institutions, Govt. institutions etc.	5,314	0.07%
3. Corporate Bodies	2,00,807	2.72%
4. NRIs/FFIs/OCBs	57,505	0.78%
5. General Public	<u>25,63,652</u>	<u>34.74%</u>
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>

- (n) Share Transfer System :
92.79% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with our RTA and/or Registered office of the company.

Transfer of shares in physical form is normally processed within ten to twelve working days from the date



ANNEXURE 'B' TO THE DIRECTORS' REPORT

of receipt, if the documents are complete in all respects. The Share transfer committee, under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

- (o) Commodity price risk or foreign exchange risk and hedging activities:
Please refer to Management Discussion and Analysis Report for the same.
- (p) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2017-2018 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2017	30184.22	29241.48	360.05	296.05
May, 2017	31255.28	29804.12	349.00	281.25
June, 2017	31522.87	30680.66	327.00	292.25
July, 2017	32672.66	31017.11	433.45	318.00
Aug., 2017	32686.48	31128.02	388.00	294.00
Sept., 2017	32524.11	31081.83	361.90	304.05
Oct., 2017	33340.17	31440.48	399.00	341.00
Nov., 2017	33865.95	32683.59	415.00	326.60
Dec., 2017	34137.97	32565.16	433.00	386.00
Jan., 2018	36443.98	33703.37	577.50	411.00
Feb., 2018	36256.83	33482.81	559.50	462.00
March, 2018	34278.63	32483.84	525.00	446.65

8. LOCATION OF PLANTS

- (i) The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (PB.)
Phone No. (01824) 468800, 260314
Fax No. : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com
- (ii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (Telangana)
Phone No. (08462) 237568, 237521
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com
- (iii) Sukhjit Starch Industries
WBIIIDC Growth Centre,
N.H. 34, Narayanpur,
MALDA (W.B.)
Phone No. (03512) 263027, 263029, 263032
Fax No. (03512) 263026
E-mail : sukhjitmalda@gmail.com
- (iv) The Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. 9816649399
E-mail : sukhjitagro@gmail.com



ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director and Company Secretary during the financial year 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

(i) & (ii)	Remuneration of Director/KMP For financial year 2017-18 (Rs. In Lacs)	% increase in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director/ to median remuneration of employees
Sr. No.	Name of Director/KMP and Designation		
1.	I.K. Sardana (Managing Director)	6.07	81.03
2.	K.K. Sardana (Jt. Managing Director)	6.74	73.84
3.	S.C. Jindal (Chairman)	–	4.15
4.	V.K. Sardana (Non-Executive Director)	–	4.27
5.	S.K. Anand (Non-Executive Director)	–	4.38
6.	Naresh Sardana (Non-Executive Director)	–	4.27
7.	V.P. Kapahi (Non-Executive Director)	–	4.38
8.	Ravi Chowdhry (Non-Executive Women Director)	–	4.09
9.	M.G. Sharma (Executive Director (Fin.) & C.F.O.)	18.10	28.49
10.	Aman Setia (V.P. (Fin.) & Company Secretary)	27.75	N.A.

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

(iii) The percentage increase in the median remuneration of employees had been 5.80% during the financial year.

(iv) There were 1191 permanent employees on the rolls of Company as on March 31, 2018.

(v) The average increase in remuneration of employees/ workers had been well in line with the Company's performance.



ANNEXURE 'C' TO THE DIRECTORS' REPORT

- (vi) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 9.58% i.e. from ₹ 282.36 lacs to ₹ 309.37 lacs in the financial year 2017-18 as per revision in the salary of senior management personnel of the company.
- (vii) (a) The market capitalization of the company as on March 31, 2018 was ₹ 346.81 crores as compared to ₹220.62 crores at the end of the preceding financial year.
- (b) Price Earning Ratio of the company as on 31/03/2018 was 14.53 times as compared to 11.85 times as on 31/03/2017.
- (c) Percentage increase in the market price of shares in comparison with the last public offer price (₹ 10 in year 1983-84) is 28197, taking into effect the bonus shares issued by the company from time to time.
- (viii) Average percentage increase made in the salaries of employees/workers other than the managerial personnel in last financial year i.e. 2016-17 was 7.20% whereas the increase in the managerial remuneration was around 11.62% in accordance with increased operations of the company.
- (ix) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, Executive Director (Fin.) & C.F.O. and Company Secretary) has increased by 9.58% as per general increments given to the other executives in overall.
- (x) The key parameters for the variable component of remuneration availed by the directors: - The Commission is the only variable component of remuneration payable to the directors and since it being related to the profits of the Company, it clearly gets paid according to the profits of the Company.
- (xi) There is no such employee who is not director of the company and received remuneration in excess of the highest paid director during the year.
- (xii) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON THE CSR ACTIVITIES

Sukhjit Starch & Chemicals Limited believes in corporate excellence and social welfare. Being a responsible corporate citizen, the Company has a value system of giving back to society and improving life of the people and the surrounding environment. The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. The Company believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, we believe that every such contribution shall bring a big change in our society.

As a part of its initiative under the 'Corporate Social Responsibility' (CSR) drive, the Company has undertaken projects in the area of eradicating hunger, preventive health care, providing infrastructural support, environment sustainability, women empowerment, initiatives for physically & mentally challenged people, girls education, child development and enhancing vocational skills, scholarship programs & opportunities to youth from low income group families, coaching to meritorious students to pursue their graduate and post graduate studies, rural development, help to draught hit farmers and caring old age homes. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy prescribed under the Companies Act, 2013.

The CSR activities being undertaken by the Company under its CSR policy mainly includes :

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

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

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

- A Blood donor council which, besides, organizing blood donation awareness camps, donates free blood to Thalassaemia patients on a regular basis and at a concessional cost to the others with timely availability to meet the emergent needs.



ANNEXURE 'D' TO THE DIRECTORS' REPORT

- Bi-monthly free dental care camps with supplies of free dentures to the old people.
- Free eye care and operation camps for the needy and poor patients of the area on a regular basis.
- Cancer awareness camps have been organized periodically, to create necessary awareness, early detection and control.
- Generous financial contribution and management assistance to Help Age International Charitable Trust (Regd.), which serves over 100 residential inmates providing free boarding and full medical care to the old orphans, handicapped and blind persons.

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

The company will serve its communities by :

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

CSR Committee :

The CSR projects / activities held during the year are implemented under the Guidance of the Board' s Corporate Social Responsibility Committee, which comprises of Shri K.K. Sardana as its chairman, Shri S.C. Jindal and Shri V.P. Kapahi as members. The activities of the committee, inter-alia, include monitoring of the CSR Policy of the company & undertaking the necessary steps for its effective implementation and recommending / budgeting the amount of expenditure to be incurred on CSR activities.

Prescribed CSR Expenditure :

Our Company is required to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities, as per the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 read with the provisions of the Companies (Corporate Social Responsibility Policy) amended Rules, 2016. The Net Profits in terms of Section 198 of the Companies Act, 2013, appear as follows :

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2016-17	2731.51
2015-16	3570.40
2014-15	<u>3484.55</u>
Average net Profits	3262.15
2% of above	65.24



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Details of CSR Spent :

Prescribed CSR expenditure = 65.24 lacs

Actual CSR expenditure = 67.82 lacs

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

(in ₹ Lacs)

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	- Provision for food to poor & needy people - Preventive Health Care	(Cl. i of Sch. VII) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Phagwara (Pb.), Ludhiana (Pb.), Triupati (A.P.)	20.00	20.82	20.82	Direct & through implementing agency
2.	- Education - Employment to differently abled - Livelihood Enhancement Projects	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.), Nizamabad (Telangana) Pune (Maharashtra)	39.00	39.14	39.14	Direct & through implementing agency
3.	Old age homes and homes for orphans	(Cl. iii of Sch. VII) Promoting gender equality, empowering women, setting up of homes and hostels for women & orphans, Setting up old age homes etc.	VPO Virk, Distt Jalandhar (Pb.),	6.00	6.12	6.12	Through Implementing agency



ANNEXURE 'D' TO THE DIRECTORS' REPORT

S.No.	CSR Project or activities identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify state and district	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct exp. 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
4.	- Environmental sustainability	(Cl. iv of Sch. VII) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air and water.	Phagwara (Pb.) Nizamabad (Telangana)	1.00	1.74	1.74	Direct & through implementing agency
		TOTAL		66.00	67.82	67.82	

We hereby confirm that the implementation and monitoring of CSR policy, is in compliance with CSR objectives & policy of the company and also comply the provisions notified under section 135 and Schedule VII of the Companies Act, 2013 as well as the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2016.

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

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

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

as on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	4,203,655	-	4,203,655	56.96	4,253,538	-	4,253,538	57.64	49,883	0.68
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	3,587	-	3,587	0.05	3,587	-	3,587	0.05	-	-
d) Bank/Fl										
e) Any other										
SUB TOTAL:(A) (1)	42,07,242	-	42,07,242	57.01	42,57,125	-	42,57,125	57.69	49,883	0.68
(2) Foreign										
a) NRI- Individuals	2,90,706	-	2,90,706	3.94	2,95,417	-	2,95,417	4.00	4,711	0.06
b) Other Individuals										
c) Bodies Corp.										
d) Banks/Fl										
e) Any other										
SUB TOTAL (A) (2)	2,90,706	-	2,90,706	3.94	2,95,417	-	2,95,417	4.00	4,711	0.06
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	44,97,948	-	44,97,948	60.95	45,52,542	-	45,52,542	61.69	54,594	0.74
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/Fl	5,314	-	5,314	0.07	5,314	-	5,314	0.07	-	-
c) Central Govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
SUB TOTAL (B)(1):	5,314	-	5,314	0.07	5,314	-	5,314	0.07	-	-
(2) Non Institutions										
a) Bodies corporates										
i) Indian	1,79,890	866	1,80,756	2.45	1,97,700	72	1,97,772	2.68	17,016	0.23
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	11,37,363	5,31,151	16,68,514	22.61	11,22,683	4,16,690	15,39,373	20.86	(1,29,141)	(1.75)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	7,94,551	1,18,397	9,12,948	12.37	7,50,639	1,14,456	8,65,095	11.72	(47,853)	(0.65)
c) Others (specify)	1,13,780	560	1,14,340	1.55	2,19,164	560	2,19,724	2.98	1,05,384	1.43
SUB TOTAL (B)(2):	22,25,584	6,50,974	28,76,558	38.98	22,90,186	5,31,778	28,21,964	38.24	(54,594)	(0.74)
Total Public Shareholding (B)= (B)(1)+(B)(2)	22,30,898	6,50,974	28,81,872	39.05	22,95,500	5,31,778	28,27,278	38.31	(54,594)	(0.74)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	67,28,846	6,50,974	73,79,820	100	68,48,042	5,31,778	73,79,820	100	-	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	ROHIT GROVER	300	0.00	0	300	0.00	0	0.00
2	VEER PRATAP SARDANA	1532	0.02	0	2360	0.03	0	0.01
3	NAVIN SARDANA (HUF)	1908	0.03	0	0	0.00	0	-0.03
4	NIKHIL SARDANA	2400	0.03	0	2400	0.03	0	0.00
5	KABIR SARDANA	2400	0.03	0	2400	0.03	0	0.00
6	NIDHI SARDANA	2736	0.04	0	2936	0.04	0	0.00
7	DIVYA SARDANA	3578	0.05	0	3578	0.05	0	0.00
8	UDAY PRATAP SARDANA	4540	0.06	0	4540	0.06	0	0.00
9	DIPIKA SARDANA	5500	0.07	0	5500	0.07	0	0.00
10	SONA SARDANA	6469	0.09	0	6469	0.09	0	0.00
11	DIPTI SARDANA	6741	0.09	0	6741	0.09	0	0.00
12	SONIA MONGIA	10416	0.14	0	10416	0.14	0	0.00
13	RADHIKA MONGIA	11400	0.15	0	12100	0.16	0	0.01
14	PADMINI MONGIA	12976	0.18	0	12976	0.18	0	0.00
15	VERINDER KUMAR SARDANA	32092	0.43	0	32092	0.43	0	0.00
16	SURENDRA NATH GADI	38000	0.51	0	38000	0.51	0	0.00
17	MEENAXI GADI	40000	0.54	0	40000	0.54	0	0.00
18	UMA LOHTIA	42820	0.58	0	42820	0.58	0	0.00
19	PRABHA GROVER	42832	0.58	0	42832	0.58	0	0.00
20	ASHOK SARDANA	42900	0.58	0	42900	0.58	0	0.00
21	SHALINI CHABLANI	43757	0.59	0	43757	0.59	0	0.00
22	NAVIN SARDANA	79778	1.08	0	44186	0.60	0	-0.48
23	NALINI KALRA	44211	0.60	0	44211	0.60	0	0.00
24	USHA MONGIA	48840	0.66	0	0	0.00	0	-0.66



ANNEXURE 'E' TO THE DIRECTORS' REPORT

25	NANDINI OBEROI	7366	0.10	0	55506	0.75	0	0.65
26	NANDINI KAUSHIK	117786	1.60	0	120286	1.63	0	0.03
27	INDER KRISHAN SARDANA (HUF)	127930	1.73	0	127930	1.73	0	0.00
28	SUMAN SARDANA	135794	1.84	0	135794	1.84	0	0.00
29	KULDIP KRISHAN SARDANA (HUF)	142383	1.93	0	142383	1.93	0	0.00
30	MANJOO SARDANA	157381	2.13	0	165833	2.25	0	0.11
31	RANI SARDANA	174692	2.37	0	174692	2.37	0	0.00
32	BHAVDEEP SARDANA	416084	5.64	0	417442	5.66	0	0.02
33	PANKAJ SARDANA	418664	5.67	0	421264	5.71	0	0.04
34	PUNEET SARDANA	420833	5.70	0	421833	5.72	0	0.01
35	DHIRAJ SARDANA	418938	5.68	0	424578	5.75	0	0.08
36	INDER KRISHAN SARDANA	549450	7.45	0	574033	7.78	0	0.33
37	KULDIP KRISHAN SARDANA	588228	7.97	0	628450	8.52	0	0.55
		4203655	56.96		4253538	57.64	0	0.68
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	3587	0.05	0	3587	0.05	0	0.00
		3587	0.05		3587	0.05	0	0.00
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	1000	0.01	0	1000	0.01	0	0.00
2	ROHINI SARDANA	35548	0.48	0	35548	0.48	0	0.00
3	RAVI CHOWDHRY	254158	3.44	0	258869	3.51	0	0.06
		290706	3.94	0	295417	4.00	0	0.07
	Total	4497948	60.95		4552542	61.69	0	0.74



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Kuldip Krishan Sardana	588228	7.97	01.04.2017				
				07.04.2017	409	Transfer	588637	7.98
				21.04.2017	2965	Transfer	591602	8.02
				05.05.2017	1900	Transfer	593502	8.04
				16.06.2017	3000	Transfer	596502	8.08
				23.06.2017	2000	Transfer	598502	8.11
				30.06.2017	3000	Transfer	601502	8.15
				01.09.2017	939	Transfer	602441	8.16
				22.09.2017	2500	Transfer	604941	8.20
				29.09.2017	500	Transfer	605441	8.20
				06.10.2017	3500	Transfer	608941	8.25
				20.10.2017	5328	Transfer	614269	8.32
				27.10.2017	6500	Transfer	620769	8.41
				24.11.2017	5000	Transfer	625769	8.48
				12.01.2018	800	Transfer	626569	8.49
		02.03.2018	700	Transfer	627269	8.50		
		16.03.2018	1181	Transfer	628450	8.52		
		628450	8.52	31.03.2018		628450	8.52	
2	Inder Krishan Sardana	549450	7.45	01.04.2017				
				07.04.2017	1000	Transfer	550450	7.46
				21.04.2017	2200	Transfer	552650	7.49
				05.05.2017	1900	Transfer	554550	7.51
				16.06.2017	2859	Transfer	557409	7.55
				23.06.2017	1141	Transfer	558550	7.57
				30.06.2017	3000	Transfer	561550	7.61
				27.10.2017	6500	Transfer	568050	7.70
				24.11.2017	5000	Transfer	573050	7.77
				19.01.2018	983	Transfer	574033	7.78
		574033	7.78	31.03.2018		574033	7.78	
3	Dhiraj Sardana	418938	5.68	01.04.2017				
				20.10.2017	2600	Transfer	421538	5.71
				29.12.2017	828	Transfer	422366	5.72
				19.01.2018	69	Transfer	422435	5.72
				02.03.2018	700	Transfer	423135	5.73
				16.03.2018	112	Transfer	423247	5.74
				23.03.2018	531	Transfer	423778	5.74
				30.03.2018	800	Transfer	424578	5.75
		424578	5.75	31.03.2018		424578	5.75	



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S.No.	Promotors	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
4	Puneet Sardana	420833	5.70	01.04.2017				
				30.03.2018	1000	Transfer	421833	5.72
		421833	5.72	31.03.2018			421833	5.72
5	Pankaj Sardana	418664	5.67	01.04.2017				
				20.10.2017	2600	Transfer	421264	5.71
		421264	5.71	31.03.2018			421264	5.71
6	Bhavdeep Sardana	416084	5.64	01.04.2017				
				19.01.2018	900	Transfer	416984	5.65
				16.03.2018	250	Transfer	417234	5.65
				23.03.2018	208	Transfer	417442	5.66
		417442	5.66	31.03.2018			417442	5.66
7	Ravi Chowdhry	254158	3.44	1.04.2017				
				12.01.2018	3800	Transfer	257958	3.50
				19.01.2018	411	Transfer	258369	3.50
				30.03.2018	500	Transfer	258869	3.51
		258869	3.51	31.03.2018			258869	3.51
8	Nandani Kaushik	117786	1.60	01.04.2017				
				21.04.2017	2500	Transfer	120286	1.63
		120286	1.63	31.03.2018			120286	1.63
9	Nandani Oberai	7366	0.10	01.04.2017				
				21.04.2017	48140	Transfer	55506	0.75
		55506	0.75	31.03.2018			55506	0.75
10	Manjoo Sardana	11109	0.15	01.04.2017				
				23.06.2017	614	Transfer	11723	0.16
				01.09.2017	930	Transfer	12653	0.17
				22.09.2017	2500	Transfer	15153	0.21
				29.09.2017	508	Transfer	15661	0.21
				06.10.2017	3500	Transfer	19161	0.26
				19.01.2018	400	Transfer	19561	0.27
		31.03.2018			19561	0.27		



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		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
11	Radhika Mongia	11400	0.15	01.04.2017				
				05.05.2017	8700	Transfer	20100	0.27
				05.05.2017	700	Transfer	20800	0.28
				05.05.2017	-8700	Transfer	12100	0.16
		12100	0.16	31.03.2018			12100	0.16
12	Navin Sardana	79778	1.08	01.04.2017				
				21.04.2017	2500	Transfer	82278	1.11
				04.08.2017	1908	Transfer	84186	1.14
				22.09.2017	-5000	Transfer	79186	1.07
				06.10.2017	-5000	Transfer	74186	1.01
				13.10.2017	-10000	Transfer	64186	0.87
				20.10.2017	-10000	Transfer	54186	0.73
				24.11.2017	-10000	Transfer	44186	0.60
		44186	0.60	31.03.2018			44186	0.60
13	Nidhi Sardana	2736	0.04	01.04.2017				
				16.03.2018	200	Transfer	2936	0.04
		2936	0.04	31.03.2018			2936	0.04
14	Veer Partap Sardana	1532	0.02	01.04.2017				
				16.03.2018	828	Transfer	2360	0.03
		2360	0.03	31.03.2018			2360	0.03
15	Usha Mongia	48840	0.66	01.04.2017				
				21.04.2017	-27728	Transfer	21112	0.29
				21.04.2017	-20412	Transfer	700	0.01
				05.05.2017	-700	Transfer	--	--
		--	--	31.03.2018			--	--

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sudhir Sindhvani	112520	1.52	01.04.2017				
					NIL	No Change		
		112520	1.52	31.03.2018			112520	1.52
2	Satish Kumar	56443	0.76	01.04.2017				
				14.04.2017	-532	Transfer	55911	0.76
				07.07.2017	-2300	Transfer	53611	0.73
				14.07.2017	-724	Transfer	52887	0.72
				21.07.2017	-4700	Transfer	48187	0.65
				18.08.2017	-100	Transfer	48087	0.65
				12.01.2018	-1000	Transfer	47087	0.64
				09.02.2018	-500	Transfer	46587	0.63
				16.02.2018	-500	Transfer	46087	0.62
		46087	0.62	31.03.2018			46087	0.62
3	Seetha Kumari	44812	0.61	01.04.2017				
				07.07.2017	-168	Transfer	44644	0.60
				18.08.2017	500	Transfer	45144	0.61
				09.03.2018	260	Transfer	45404	0.62
		45404	0.62	31.03.2018			45404	0.62
4	Manoj Kumar Agarwal	43434	0.59	01.04.2017				
					NIL	No Change		
		43434	0.59	31.03.2018			43434	0.59
5	Varun Bansal	39767	0.54	01.04.2017				
				08.07.2016	NIL	No Change	39767	0.54
		39767	0.54	31.03.2018			39767	0.54
6	Ajay Chandra Agarwal	43945	0.60	01.04.2017				
				22.12.2017	-100	Transfer	43845	0.59
				29.12.2017	-145	Transfer	43700	0.59
				05.01.2018	-400	Transfer	43300	0.59
				12.01.2018	-6200	Transfer	37100	0.50
		37100	0.50	31.03.2018			37100	0.50
7	Aashray Agarwal	-	-	01.04.2017				
				30.06.2017	30109	Transfer	30109	0.41
		30109	0.41	31.03.2018			30109	0.41



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		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
8	Trilok Nath Sindhwani	26800	0.36	01.04.2017				
				12.01.2018	-100	Transfer	26700	0.36
		26700	0.36	31.03.2018			26700	0.36
9	Saroj Manaktala	26806	0.36	01.04.2017				
					NIL	No Change		
		26806	0.36	31.03.2018			26806	0.36
10	Virendra Pal Singh	30500	0.41	01.04.2017				
				07.04.2017	1500	Transfer	32000	0.43
				28.04.2017	1000	Transfer	33000	0.45
				05.05.2017	1000	Transfer	34000	0.46
				19.05.2017	1100	Transfer	35100	0.48
				26.05.2017	-100	Transfer	35000	0.47
				30.06.2017	-415	Transfer	34585	0.47
				07.07.2017	-2585	Transfer	32000	0.43
				14.07.2017	-11000	Transfer	21000	0.28
				21.07.2017	-2000	Transfer	19000	0.26
				28.07.2017	-1100	Transfer	17900	0.24
				04.08.2017	100	Transfer	18000	0.24
				22.09.2017	238	Transfer	18238	0.25
				29.09.2017	1762	Transfer	20000	0.27
				23.02.2018	-950	Transfer	19050	0.26
		02.03.2018	-1250	Transfer	17800	0.24		
		09.03.2018	-4800	Transfer	13000	0.18		
		16.03.2018	-5204	Transfer	7796	0.11		
		23.03.2018	-496	Transfer	7300	0.10		
		31.03.2018	-1500	Transfer	5800	0.08		
		5800	0.08	31.03.2018			5800	

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Inder Krishan Sardana (Managing Director)	549450	7.45	01.04.2017				
				07.04.2017	1000	Transfer	550450	7.46
				21.04.2017	2200	Transfer	552650	7.49
				05.05.2017	1900	Transfer	554550	7.51
				16.06.2017	2859	Transfer	557409	7.55
				23.06.2017	1141	Transfer	558550	7.57
				30.06.2017	3000	Transfer	561550	7.61
				27.10.2017	6500	Transfer	568050	7.70
				24.11.2017	5000	Transfer	573050	7.77
				19.01.2018	983	Transfer	574033	7.78
		574033	7.78	31.03.2018			574033	7.78



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2017) /End of year (31.03.2018)		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
2	Kuldip Krishan Sardana (Joint Managing Director)	588228	7.97	01.04.2017				
				07.04.2017	409	Transfer	588637	7.98
				21.04.2017	2965	Transfer	591602	8.02
				05.05.2017	1900	Transfer	593502	8.04
				16.06.2017	3000	Transfer	596502	8.08
				23.06.2017	2000	Transfer	598502	8.11
				30.06.2017	3000	Transfer	601502	8.15
				01.09.2017	939	Transfer	602441	8.16
				22.09.2017	2500	Transfer	604941	8.20
				29.09.2017	500	Transfer	605441	8.20
				06.10.2017	3500	Transfer	608941	8.25
				20.10.2017	5328	Transfer	614269	8.32
				27.10.2017	6500	Transfer	620769	8.41
				24.11.2017	5000	Transfer	625769	8.48
				12.01.2018	800	Transfer	626569	8.49
		02.03.2018	700	Transfer	627269	8.50		
		16.03.2018	1181	Transfer	628450	8.52		
		628450	8.52	31.03.2018		628450	8.52	
3	Ravi Chowdhry (Women Director)	254158	3.44	01.04.2017				
				12.01.2018	3800	Transfer	257958	3.50
				19.01.2018	411	Transfer	258369	3.50
				30.03.2018	500	Transfer	258869	3.51
			258869	3.51	31.03.2018		258869	3.51
4	V. K. Sardana (Director)	32092	0.43	01.04.2017				
		32092	0.43	31.03.2018	NIL	No Change	32092	0.43
5	S. C. Jindal (Director)	35220	0.48	01.04.2017				
		35220	0.48	31.03.2018	NIL	No Change	35220	0.48
6	Naresh Sardana (Director)	1000	0.01	01.04.2017				
		1000	0.01	31.03.2018	NIL	No Change	1000	0.01
7	V. P. Kapahi (Director)	1000	0.01	01.04.2017				
		1000	0.01	31.03.2018	NIL	No Change	1000	0.01
8	S. K. Anand (Director)	1002	0.01	01.04.2017				
		1002	0.01	31.03.2018	NIL	No Change	1002	0.01
9	M G Sharma (Executive Director (Fin) & CFO)	60	0.00	01.04.2017				
		60	0.00	31.03.2018	NIL	No Change	60	0.00
10	Aman Setia (Vice President Finance & Company Secretary)	-	-	01.04.2017				
		0	-	31.03.2018	NIL	No Change	0	-



ANNEXURE 'E' TO THE DIRECTORS' REPORT

IX. INDEBTEDNESS

(in lacs)

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,177.19	1,000.00	4,449.59	10,626.78
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	318.70	318.70
Total (i+ii+iii)	5,177.19	1,000.00	4,768.29	10,945.48
Change in Indebtedness during the financial year				
Additions	-	-	576.12	576.12
Reduction	(5,109.59)	(1,000.00)	-	(6,109.59)
Net Change	(5,109.59)	(1,000.00)	576.12	(5,533.47)
Indebtedness at the end of the financial year				
i) Principal Amount	10,286.78	-	5,051.06	15,337.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	293.35	293.35
Total (i+ii+iii)	10,286.78	0.00	5,344.41	15,631.19

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager			Total Amount
1	Gross Salary	Sh. I.K. Sardana	Sh. K.K. Sardana	Sh. M.G. Sharma	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	77.52	77.40	40.26	195.18
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	22.01	11.11	1.32	34.44
2	Commission (as % of profit)	18.57	18.57	--	37.14
3	Others (Retirement Benefits)	6.28	6.26	2.14	14.68
	Total (A)	124.38	113.34	43.72	281.44
	Ceiling as per the Act				371.45



ANNEXURE 'E' TO THE DIRECTORS' REPORT

B. REMUNERATION TO OTHER DIRECTORS :

S.No	Particulars of Remuneration	Name of the Directors			Total Amount
1	Independent Directors	Sh. S.C. Jindal	Sh. S.K. Anand	Sh. V.P. Kapahi	
	(a) Fee for attending board / committee meetings	0.18	0.54	0.54	1.26
	(b) Commission	6.19	6.19	6.19	18.57
	Total (1)	6.37	6.73	6.73	19.83
2	Other Non Executive Directors	Sh. V.K. Sardana	Smt. Ravi Chowdhry	Sh. Naresh Sardana	
	(a) Fee for attending board / committee meetings	0.36	0.09	0.36	0.81
	(b) Commission (as % of profit)	6.19	6.19	6.19	18.57
	Total (2)	6.55	6.28	6.55	19.38
	Total (B)=(1+2)	12.92	13.01	13.28	39.21
	Total Managerial Remuneration excl. Sitting fees				37.15
	Overall Ceiling as per the Act.				37.15

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

S.No.	Particulars of Remuneration	Key Managerial Personnel		
1	Gross Salary	CFO	Company Secretary	Total
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	40.26	25.51	65.77
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1.32	0.00	1.32
2	Others (Retirement Benefits)	2.14	2.42	4.56
	Total	43.72	27.93	71.65

XI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



ANNEXURE 'F' TO THE DIRECTORS' REPORT

EXTRACT OF ANNUAL RETURN

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

Conservation of Energy

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

The Company continues with its on-going process to conserve / save energy by installing / optimising some key equipments where feasible, after necessary technical appraisal and energy audit. The company has started re-cycling and using its treated process water in one of its units resulting in reduction of power load for withdrawal of ground water with due conservation of water resources. In the other plant, smaller sized hydroclones have been replaced with optimum sized hydroclones thereby reducing the consumption of power considerably.

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

Steps are already afoot for generating power from the agricultural waste. Company is considering various steps for utilizing alternate sources of energy like generating power from Bio fuel gas / solar. The Company is already producing Bio fuel gas from its effluent waste, which is being used for drying some of its products and partly for generating steam thereby replacing use of furnace oil and coal and reducing carbon foot print.

(c) The capital investment on energy conservation equipments:

During the year, the Company has made capital Investment of ₹ 23.16 lacs, on account of energy conservation equipments.

Technology Absorption

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

Research & Development

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

Expenditure on R & D

The Company has spent about ₹ 67.90 lacs during the year under reference (₹ 66.25 lacs during previous year) in pursuit of improving the quality of products line, developing new products and improving their application.

Foreign Exchange Earnings and Outgo

The Foreign Exchange Earnings of the Company have been ₹ 1636.14 lacs (₹ 730.06 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹ 124.02 lacs (₹ 107.62 lacs during previous year), Spare parts, components and consumables of ₹ 49.93 lacs (₹ 31.35 Lacs during previous year) on a C.I.F. basis and has remittance in foreign traveling of ₹ 1.32 lacs (₹ 0.61 during previous year)



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit for the financial year 2017-18 of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sukhjit Starch & Chemicals Limited.

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

For Dinesh Gupta & Co.
Company Secretaries

Sd/-
(Dinesh Gupta)
FCS 3462; C. P. No. : 1947
Place: Jalandhar
Dated: May 28, 2018



ANNEXURE 'G' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

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

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

Based on our verification of The Sukhjit Starch Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following applicable Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) :
 - (a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the amendments made thereunder from time to time;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2009 and the amendments made thereunder from time to time;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

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

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (c) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) Other laws applicable on the Company including
 - Food Safety and Standards Act, 2006,
 - Factories Act, 1948,



ANNEXURE 'G' TO THE DIRECTORS' REPORT

- Industrial Dispute Act, 1947
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees' State Insurance Act, 1948
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Child Labour (Prohibition & Regulation) Act, 1986
- The Industrial Employment (Standing Order) Act, 1946
- The Employee Compensation Act, 1923
- The Apprentices Act, 1961
- Income tax Act, 1961

have been duly Complied with as per the Representation received from the Company and on relying upon the Statutory Auditor Report and Cost Audit Report.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and;
- (ii) The Listing Agreement for equity shares entered into by the Company with BSE Limited, Mumbai and;
- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

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

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

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

For Dinesh Gupta & Co.
Company Secretaries

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

Place: Jalandhar
Dated: May 28, 2018



DECLARATION BY THE MANAGING DIRECTOR

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

Declaration by the Managing Director
Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I, I.K. Sardana, Managing Director of The Sukhjit Starch & Chemicals Ltd. declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

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

Place : Phagwara
Dated : 30th May, 2018

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

CERTIFICATE

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by The Sukhjit Starch & Chemicals Limited for the year ended on 31st March, 2018 as stipulated in schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2018, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Stake holder's relationship / grievance committee.

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

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

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

Place : Phagwara
Dated : 30th May, 2018



MANAGING DIRECTOR/ CFO CERTIFICATE UNDER CLAUSE 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Board of Directors

The Sukhjit Starch & Chemicals Limited

1. We have reviewed financial statements and the cash flow statement of The Sukhjit Starch & Chemicals Limited for the year ended 31st March, 2018 and to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and the Audit Committee:
 - (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware of.

Sd/-

(I.K. Sardana)

Managing Director

Sd/-

(M.G. Sharma)

Chief Financial Officer

Place : Phagwara.

Dated : 30th May, 2018



INDEPENDENT AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

REPORT ON THE STANDALONE FINANCIAL STATEMENTS :

We have audited the attached standalone financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2018, which comprise the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow and a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the standalone Ind AS financial Statement").

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), changes in Equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the India Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY :

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

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

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

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



INDEPENDENT AUDITORS' REPORT

OPINION :

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

- (i) In case of balance sheet, of the state of the affairs of the company as at 31st March 2018.
- (ii) In case of profit and loss Accounts, of the profit of the company for the year ended on that date.
- (iii) In case of changes in Equity, of the changes in equity for the year ended on that date.
- (iv) In the case of cash flow statement of the cash flow for the year ended on that date.

OTHER OPINION :

Corresponding figures of the Company for the year ended 31st March, 2017 have been audited by another auditor who expressed an unmodified opinion dated 24th May, 2017 on the consolidated Ind AS financial statements of the Company for the year ended 31st March, 2018.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 2016 ('the order') issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013. We enclosed in Annexure A, statement on the matters specified in paragraphs 3 & 4 of the said order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in 'Annexure B' and
 - (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 has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in note to the financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

FOR VSAP & ASSOCIATES
CHARTERED ACCOUNTANTS

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

Place : Phagwara
Dated : 30th May, 2018



INDEPENDENT AUDITORS' REPORT

ANNEXURE A TO THE AUDITORS' REPORT :

The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the standalone financial statements for the year ended 31st March 2018, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.
3. In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
(a) Paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of rate of Interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act.
(b) Paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
(c) Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
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. In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
6. The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.



INDEPENDENT AUDITORS' REPORT

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) The Company has disputed liabilities of ₹ 32.34 crores (not provided in the accounts), which mainly include Central Excise liability of ₹ 28.93 crores against sale of Maize Starch since 01.04.1997. The company has explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account. Other items concern a demand of ₹ 1.18 crores raised on sale made through the consignment agents of the company which is pending before the Assistant Commissioner. The company does not foresee any liability on this score as there is no valid / legal ground for the demand. ₹ 2.22 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh and other Misc. Service tax demands due to difference in opinion.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company does not have any borrowings from debenture holders.
9. The term loans have been applied for the purpose for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 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. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

Place : Phagwara.
Dated : 30th May, 2018



INDEPENDENT AUDITORS' REPORT

ANNEXURE B TO THE AUDITORS' REPORT :

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2018 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



INDEPENDENT AUDITORS' REPORT

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records 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 March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place : Phagwara.
Dated : 30th May, 2018



BALANCE SHEET AS ON 31ST MARCH, 2018

	NOTE	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
ASSETS				
1. NON CURRENT ASSETS				
(a) Property, Plant and Equipment	3	21,087.20	21,105.78	20,679.47
(b) Capital Work-in-progress	4	1,240.22	1,049.67	976.67
(c) Investment Property	5	2,102.65	2,269.99	1,874.87
(d) Other Intangible Assets	3	4.23	6.01	9.08
(e) Financial Assets				
(i) Investments	6	1,767.87	665.07	678.89
(f) Other Non Current Assets	7	410.47	300.01	319.89
Total Non current Assets		<u>26,612.64</u>	<u>25,396.53</u>	<u>24,538.87</u>
2. CURRENT ASSETS				
(a) Inventories	8	9,210.67	5,425.91	5,664.71
(b) Financial Assets				
(i) Investments	9	4,637.68	3,206.23	1,961.26
(ii) Trade Receivables	10	7,022.99	5,990.68	5,735.24
(iii) Cash & Cash Equivalents	11	67.68	41.78	102.44
(iv) Bank Balance other than (iii)	12	689.82	685.23	1,654.72
(v) Other Financial Assets	13	1,096.24	907.38	587.84
(c) Income Tax Assets (net)	14	351.51	644.21	683.87
(d) Other Current Assets	15	971.47	174.78	254.05
Total Current Assets		<u>24,048.06</u>	<u>17,076.20</u>	<u>16,644.13</u>
TOTAL		<u><u>50,660.70</u></u>	<u><u>42,472.73</u></u>	<u><u>41,183.00</u></u>
EQUITY AND LIABILITIES				
1. EQUITY				
(a) Equity Share Capital	16	737.98	737.98	737.98
(b) Other Equity	17	25,245.06	23,451.70	21,396.93
Total Equity		<u>25,983.04</u>	<u>24,189.68</u>	<u>22,134.91</u>
2. LIABILITIES				
(A) NON CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	5,101.06	4,699.59	4,510.06
(b) Deferred Tax Liability (Net)	19	2,829.24	2,581.59	2,348.44
(c) Other Non Current Liabilities	20	1,753.61	1,390.40	1,074.66
Total non current Liabilities		<u>9,683.91</u>	<u>8,671.58</u>	<u>7,933.16</u>
(B) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	21	10,036.78	5,727.19	7,115.08
(ii) Trade Payables	22	3,661.27	3,140.06	3,289.17
(b) Other Current Liabilities	23	1,295.70	744.22	710.68
Total Current Liabilities		<u>14,993.75</u>	<u>9,611.47</u>	<u>11,114.93</u>
TOTAL		<u><u>50,660.70</u></u>	<u><u>42,472.73</u></u>	<u><u>41,183.00</u></u>

The accompanying notes are integral part of these financial statements

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)
1. Revenue From Operations	24	70,831.76	68,311.68
2. Other Income	25	493.05	227.92
3. Total Revenue		<u>71,324.81</u>	<u>68,539.60</u>
4. Expenses :			
Cost of Materials Consumed	26	48,209.13	47,054.92
Change in Inventories of Finished Goods, Stock in Trade & Work in Progress	27	109.32	185.78
Employee Benefits Expense	28	4,125.22	3,784.37
Finance Costs	29	1,753.63	1,279.89
Excise Duty	24	761.28	3,140.67
Depreciation and Amortisation Exp.	3	1,471.95	1,178.65
Other Expenses	30	11,276.68	9,101.43
Total Expenses		<u>67,707.21</u>	<u>65,725.71</u>
5. Profit Before Tax (3-4)		3,617.60	2,813.89
6. Tax Expense :			
- Current Tax	1,035.00		740.00
- Deferred Tax	<u>280.00</u>		<u>175.00</u>
		1,315.00	915.00
7. Profit for the year (5-6)		2,302.60	1,898.89
8. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		26.50	(22.31)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		(9.17)	7.72
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		103.36	159.69
(b) Income tax relating to items that will be reclassified to Profit & Loss		(35.77)	(55.27)
9. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period) (7+8)		2,387.52	1,988.72
10. Earning per equity share :			
(a) Basic		32.35	26.95
(b) Diluted		32.35	26.95

The accompanying notes are intergal part of these financial statements

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Capital Subsidy	Securities Premium	Deferred Income	General Reserve	Retained Earnings	Defined benefit plan	Fair value of investment	
AS ON 31 MARCH 2016								
Balance at the beginning of the reporting period i.e. 1st April, 2015	467.67	87.14	-	17,897.19	920.53	-	-	19,372.53
Profit for the year					2,305.07			2,305.07
Grant received			50.00					50.00
Other Comprehensive Income					(3.04)	1.99	88.85	87.80
Dividends					(737.98)			(737.98)
Tax on dividend					(148.90)			(148.90)
Transfer to/from deferred income	(50.00)		(2.00)		2.00			(50.00)
Transfer to General Reserve				2,000.00	(2,000.00)			-
Capitalization of borrowing cost					75.64			75.64
Dividend written back					442.77			442.77
Balance at the end of the reporting period i.e. 31st March, 2016	417.67	87.14	48.00	19,897.19	856.09	1.99	88.85	21,396.93
AS ON 31 MARCH 2017								
Balance at the beginning of the reporting period i.e. 1st April, 2016	417.67	87.14	48.00	19,897.19	865.09	1.99	88.85	21,396.93
Profit for the year					1,898.89			1,898.89
Grant received			50.00					50.00
Other Comprehensive Income						14.59	104.43	119.02
Transfer to/from deferred income			(4.00)					(4.00)
Transfer to General Reserve				1,000.00	(1,000.00)			-
OCI reclassified to P&L							(9.14)	(9.14)
Balance at the end of the reporting period i.e. 31st March, 2017	417.67	87.14	94.00	20,897.19	1,754.98	16.58	184.14	23,451.70
AS ON 31 MARCH 2018								
Balance at the beginning of the reporting period i.e. 1st April, 2017	417.67	87.14	94.00	20,897.19	1,754.98	16.58	184.14	2,3451.70
Profit for the year					2,302.60			2,302.60
Other Comprehensive Income						17.33	67.59	84.92
Dividends					(368.99)			(368.99)
Tax on dividend					(75.12)			(75.12)
Transfer to/from deferred income			(4.00)					(4.00)
Transfer to General Reserve				1,500.00	(1,500.00)			-
OCI reclassified to P&L							(146.04)	(146.04)
Balance at the end of the reporting period i.e. 31st March, 2018	417.67	87.14	90.00	22,397.19	2,113.47	33.91	105.69	25,245.07



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year Ended 31st March, 2018 (₹ Lacs)	For the Year Ended 31st March, 2017 (₹ Lacs)
FLows FROM OPERATING ACTIVITIES		
Net Profit before tax	3,617.60	2,813.89
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,471.95	1,178.65
Provision for Investment	400.00	-
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(136.82)	(152.08)
Interest paid	1,697.24	1,233.34
(Profit) Loss on sale of investments/assets	(304.81)	(47.31)
FLows FROM OPERATIONS BEFORE WORKING CAPITAL	<u>6,745.16</u>	<u>5,026.49</u>
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(2,016.10)	(497.90)
Inventories	(3,784.77)	238.80
Trade Payables	521.20	(149.11)
Other Liabilities	550.79	70.29
NET FLows FROM OPERATING ACTIVITIES	<u>2,016.28</u>	<u>4,688.57</u>
Net Direct Taxes Paid	(718.90)	(700.71)
NET FLows FROM OPERATING ACTIVITIES	1297.39	3987.86
FLows FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,645.08)	(1,675.19)
Sale of Fixed Assets	305.09	98.48
Other Investments	(2,597.32)	(1,446.71)
Interest received	136.82	152.08
NET FLows FROM INVESTING ACTIVITIES	(3,800.49)	(2,871.34)
FLows FROM FINANCING ACTIVITIES		
Loans raised for working capital	4,309.59	(1,387.89)
Repayment of Term Loan	(200.00)	(200.00)
Other Loans raised	564.67	705.27
Dividends paid	(443.43)	(30.71)
Interest paid	(1,697.24)	(1,233.34)
NET FLows FROM FINANCING ACTIVITIES	2,533.59	(2,146.67)
Net Cash Flows during the year	30.49	(1,030.15)
Cash & cash equivalents at the beginning of the year	727.01	1,757.16
Cash & cash equivalents at the end of the year (*)	757.50	727.01
(*) (Includes cash & cash equivalents and bank balance)		
The accompanying notes are intergal part of these financial statements		

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



NOTES

Forming part of the standalone financial statements for the year ended 31st March, 2018.

1. CORPORATE INFORMATION

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

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

The Company is listed on Bombay Stock Exchange Ltd. (BSE). The standalone financial statements for the year ended March 31, 2018 were approved by the Board of Directors on 30.05.2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and rules & guidelines issued by SEBI as applicable.

(c) First Time Adoption of Ind-AS

(i) Transition to IND-AS :

The financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening balance sheet as on 1st April 2016 and 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016.

(ii) Exemptions / Exceptions availed :

Being first time adoption of IND AS, the company has availed the following exemptions as granted under Appendix C & D of IND AS 101 :-

(i) Carrying values for all of its Property, Plant and Equipment, Intangible assets and Investment property as at the date of transition to IND AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

(ii) Carrying value for all of its investment in subsidiaries as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.

(d) Property, Plant and Equipment

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



- (i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.
 - (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013.
 - Buildings - 3 to 60 years
 - Plant and Machinery - 5 to 25 years
 - Office equipment - 5 to 10 years
 - Vehicles - 8 to 10 years
 - (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.
- (e) Intangible Assets**
- Intangible asset purchased are measured at cost less accumulated amortisation and accumulated impairment, if any and are amortised as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.
- (f) Investments**
- To comply with the requirements of Ind AS 109, the company has elected during its first time adoption of IND AS to present gains or losses on investment in equity securities / mutual funds held at the end of the financial year at fair value through other comprehensive income (FVTOCI). However, any gains or losses on sale of investment during the year are charged in profit and loss account.
- The Company has elected to recognize its investments in subsidiary companies at cost in accordance with the option available in IND AS 27. The details of such investments are given in note no. 6 of the financial statements.
- (g) Investment Property**
- On transition to Ind AS, Company has elected to continue with the carrying value of all the investment properties as per previous GAAP and use that carrying value as deemed cost of investment properties. However, a disclosure of market value of such investment properties have been mentioned in the notes to accounts.
- (h) Financial Instruments**
- A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.
- (i) Inventories**
- Raw Material, stores & spares, packing material, components, stock in process, finished goods and goods held for resale are valued at lower of cost and net realisable value. By-products are valued at their net realisable value. The costs are, in general, determined on a weighted average basis. Due allowance is made for obsolete items, if any.



(j) Cash and Cash Equivalents

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

(k) Income Tax and Deferred Tax

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

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

(l) Lease assets

Leases in which a significant portion of risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit & loss account on accrued basis.

(m) Use of Estimates

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

(n) Recognition of Income and Expenses

(i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized is net of GST, net of rebate & discount but include excise duty where applicable.

(ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

(iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.

(v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

(o) Government subsidy / Grants

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

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

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



(p) Employee Benefits

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

(q) Research and Development Expenditure

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

(r) Foreign Currency Transaction

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

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

(s) Impairment

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

(t) Borrowing Cost

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

(u) Provisions, Contingent Liability and Contingent Assets

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

(v) Earnings Per Share

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

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



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

NOTE : 3	FIXED ASSETS AS ON 31ST MARCH, 2018										Amount (₹ Lacs)
	TANGIBLE ASSETS					INTANGIBLE ASSETS					
ASSETS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	TOTAL INTANGIBLE ASSETS	TOTAL PREVIOUS YEAR	
COST											
Cost as on 1.4.2017	1,275.80	7,049.56	269.97	22,123.42	974.32	395.82	32,088.88	34.56	32,123.44	30,523.15	
Additions	2.72	162.36	18.87	1,180.07	76.80	11.04	1,451.86	--	1,451.86	1,653.06	
Sale/Adjustments	--	--	--	--	0.31	--	0.31	--	0.31	52.77	
Total as on 31.3.2018	1,278.51	7,211.92	288.84	23,303.49	1,050.81	406.86	33,540.43	34.56	33,574.99	32,123.44	
DEPRECIATION											
Upto 31.3.2017	--	2,796.50	210.82	6,921.95	726.02	327.81	10,983.10	28.55	11,011.65	9,834.60	
For the Year	--	340.82	18.34	1,022.25	61.65	27.10	1,470.16	1.79	1,471.95	1,178.65	
On Sale/Adjustments	--	--	--	--	0.03	--	0.03	--	0.03	1.60	
Upto 31.3.2018	--	3137.32	229.17	7,944.19	787.64	354.91	12,453.23	30.33	12,483.56	11,011.65	
NET VALUE											
As at 31.3.2018	1,278.51	4,074.59	59.68	15,359.30	263.17	51.95	21,087.20	4.23	21,091.43	21,111.79	



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL PREVIOUS YEAR
	LAND BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	AMOUNT (₹ Lacs)	
COST									
Cost as on 1.4.2016	1,209.21	249.95	21,161.55	925.98	388.43	30,489.65	33.50	30,523.15	28,964.44
Additions	66.59	20.01	1,013.29	49.69	7.39	1,652.00	1.06	1,653.06	1,573.79
Sale/Adjustments	--	--	51.42	1.35	--	52.77	--	52.77	15.08
Total as on 31.3.2017	1,275.80	269.96	22,123.42	974.32	395.82	32,088.88	34.56	32,123.44	30,523.15
DEPRECIATION									
Upto 31.3.2016	--	192.28	6,213.02	660.36	288.77	9,810.18	24.42	9,834.60	8,629.98
For the Year	--	18.54	709.26	66.94	39.04	1,174.53	4.12	1,178.65	1,210.83
On Sale/Adjustments	--	--	0.33	1.27	--	1.60	--	1.60	6.20
Upto 31.3.2017	--	210.82	6,921.95	726.02	327.81	10,983.10	28.55	11,011.65	9,834.61
NET VALUE									
As at 31.3.2017	1,275.80	59.14	15,201.47	248.30	68.01	21,105.78	6.01	21,111.79	20,688.54



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL PREVIOUS YEAR
	LAND BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	AMOUNT (₹ Lacs)	
COST									
Cost as on 1.4.2015	1,144.89	228.97	19,881.74	887.12	364.07	28,939.48	24.96	28,964.44	25,644.93
Additions	64.32	20.99	1,283.38	39.40	35.34	1,565.25	8.54	1,573.79	3,385.63
Sale/Adjustments	--	--	3.56	0.54	10.98	15.08	--	15.08	66.12
Total as on 31.3.2016	1,209.21	249.96	21,161.56	925.98	388.43	30,489.65	33.50	30,523.16	28,964.44
DEPRECIATION									
Upto 31.3.2015	--	171.29	5,500.26	590.22	243.51	8,611.47	18.51	8,629.98	7,241.24
For the Year	--	20.99	712.99	70.65	50.72	1,204.92	5.91	1,210.83	1,407.54
On Sale/Adjustments	--	--	0.23	0.51	5.46	6.20	--	6.20	18.81
Upto 31.3.2016	--	192.28	6,213.02	660.36	288.77	9,810.18	24.42	9,834.61	8,629.98
NET VALUE									
As at 31.3.2016	1,209.21	57.68	14,948.54	265.62	99.66	20,679.47	9.08	20,688.55	20,334.46



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
7. OTHER NON CURRENT ASSETS			
Unsecured - Considered Good			
Security / Other Deposits	241.99	241.43	215.23
Other Advances	<u>168.48</u>	<u>58.58</u>	<u>104.66</u>
	<u><u>410.47</u></u>	<u><u>300.01</u></u>	<u><u>319.89</u></u>
<u>CURRENT ASSETS</u>			
8. INVENTORIES			
Raw Materials Basic (at cost or net realisable value whichever is lower)	5,370.81	1,777.18	1,820.13
Stock in Process (at cost or net realisable value whichever is lower)	751.47	941.59	750.99
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	1,329.38	1,248.58	1,624.96
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,742.19	1,442.04	1,453.27
Loose Tools (at cost or net realisable value whichever is lower)	<u>16.82</u>	<u>16.52</u>	<u>15.36</u>
	<u><u>9,210.67</u></u>	<u><u>5,425.91</u></u>	<u><u>5,664.71</u></u>
FINANCIAL ASSETS			
9. INVESTMENTS			
INVESTMENT (AT FAIR VALUE)			
INVESTMENT IN UNITS OF MUTUAL FUNDS UNQUOTED :			
(i) HDFC Short Term Debt Fund	-	174.04	159.84
Nil units (Prev. Year 967535.944 units) (31.03.2016 - 967535.944 units)			
(ii) Reliance Short Term Fund	-	460.65	422.70
Nil units (Prev. Year 1494781.57 units) (31.03.2016 - 1494781.57 units)			
(iii) UTI Short Term Income Fund	-	-	113.98
Nil units (Prev. Year Nil units) (31.03.2016 - 627273.868 units)			
(iv) Reliance Regular Saving Fund	-	242.81	221.32
Nil units (Prev. Year 1071704.145 units) (31.03.2016 - 1071704.145 units)			
(v) Edelweiss Government Securities Fund	-	120.66	109.95
Nil units (Prev. Year 881710.855 units) (31.03.2016 - 881710.855 units)			



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
(vi) UTI Income Opportunity Fund 2021113.903 units (Prev. Year 3521046.416 units) (31.03.2016 - 781567.512 units)	320.29	523.40	105.48
(vii) HDFC Regular Saving Fund 5374923.780 units (Prev. Year 1200631.127 units) (31.03.2016 - 544749.343 units)	1,850.80	389.12	161.19
(viii) ICICI Prudential Corporate Bond Fund Nil units (Prev. Year 455176.495 units) (31.03.2016 - 455176.495 units)	-	115.47	105.04
(ix) SBI Corporate Bond Fund 850414.445 units (Prev. Year 850414.445 units) (31.03.2016 - 444187.803 units)	237.54	222.88	105.86
(x) UTI Floating Rate Fund 38276.151 units (Prev. Year 22965.628 units) (31.03.2016 - 4632.076 units)	1,081.51	609.75	113.36
(xi) Baroda Pioneer Liquid Fund 40396.440 units (Prev. Year Nil units) (31.03.2016 - Nil units)	803.62	-	-
	<u>4,293.76</u>	<u>2,858.78</u>	<u>1,618.72</u>
INVESTMENT IN BONDS/DEBENTURES QUOTED :			
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) (31.03.2016 - 2472 Bonds)	26.31	26.61	25.97
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.) (31.03.2016 - 30 Deb.)	317.61	320.84	316.57
	<u>343.92</u>	<u>347.45</u>	<u>342.54</u>
	<u>4,637.68</u>	<u>3,206.23</u>	<u>1,961.26</u>

Aggregate Amount of Unquoted Investments - ₹ 4,256.21 lacs (P.Y. ₹ 2,835.89 lacs) (31.03.2016 - ₹ 1,612.85 lacs)
Aggregate Amount of Quoted Investments - ₹ 343.92 lacs (P.Y. ₹ 347.45 lacs) (31.03.2016 - ₹ 342.54 lacs)

10. TRADE RECEIVABLES

Considered Good	6,959.01	5,948.52	5,694.17
Considered Doubtful	119.38	97.56	96.47
	<u>7,078.39</u>	<u>6,046.08</u>	<u>5,790.64</u>
Less : Provision for Doubtful debts	55.40	55.40	55.40
	<u>7,022.99</u>	<u>5,990.68</u>	<u>5,735.24</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
11. CASH AND CASH EQUIVALENTS			
Cash in Hand	14.93	13.30	24.75
Balance with Scheduled Banks in Current Accounts	<u>52.75</u>	<u>28.48</u>	<u>77.69</u>
	<u><u>67.68</u></u>	<u><u>41.78</u></u>	<u><u>102.44</u></u>
12. BANK BALANCES			
Balance with Scheduled Banks in Unclaimed Divident Accounts	76.95	76.28	106.99
Margin Money Accounts (*)	52.87	48.95	47.73
Fixed Deposit Accounts (**)	<u>560.00</u>	<u>560.00</u>	<u>1,500.00</u>
	<u><u>689.82</u></u>	<u><u>685.23</u></u>	<u><u>1,654.72</u></u>
(*) Include Balances of ₹ 12.87 lacs (P.Y. ₹ 25.54 lacs) (31.03.2016 – 17.13 lacs) with the maturity of more than one year.			
(**) Include Balances of ₹ Nil (P.Y. ₹ 550 lacs) (31.03.2016 – Nil) with the maturity of more than one year.			
13. OTHER FINANCIAL ASSETS			
Unsecured - Considered Good			
Recoverable in cash or kind or for value to be received Considered Good	660.18	478.50	208.94
Advances to Subsidiaries	286.08	316.42	283.34
Other Advances	132.78	112.46	95.56
Pre Operative Expenses	<u>17.20</u>	<u>-</u>	<u>-</u>
	<u><u>1,096.24</u></u>	<u><u>907.38</u></u>	<u><u>587.84</u></u>
(*) Include ₹ 14.00 lacs (P.Y. ₹ 358.89 lacs) (31.03.2016 – 49.75 lacs) as Advances to Sundry Suppliers for purchahse of materials.			
14. INCOME TAX ASSETS (NET)			
Income Tax in advance	2,495.57	2,299.21	2,488.87
Less : Provision for Tax	<u>2,144.06</u>	<u>1,655.00</u>	<u>1,805.00</u>
	<u><u>351.51</u></u>	<u><u>644.21</u></u>	<u><u>683.87</u></u>
15. OTHER CURRENT ASSETS			
Prepaid Expenses	57.11	55.08	53.69
Interest & Other recoverables	<u>914.36</u>	<u>119.70</u>	<u>200.36</u>
	<u><u>971.47</u></u>	<u><u>174.78</u></u>	<u><u>254.05</u></u>
<u>EQUITY</u>			
16. EQUITY SHARE CAPITAL			
Authorised 10000000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid up 7379820 Equity Shares of Rs. 10/- each fully paid up	737.98	737.98	737.98
	<u><u>737.98</u></u>	<u><u>737.98</u></u>	<u><u>737.98</u></u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2018		As on 31st March 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,74,033	7.78	5,49,450	7.45	5,34,896	7.24
Sh. Kuldip Krishan Sardana	6,28,450	8.52	5,88,228	7.97	5,67,309	7.68
Sh. Dhiraj Sardana	4,24,578	5.75	4,18,938	5.68	4,10,693	5.56
Sh. Bhavdeep Sardana	4,17,442	5.66	4,16,084	5.63	4,16,084	5.63
Sh. Puneet Sardana	4,21,833	5.72	4,20,833	5.70	4,16,833	5.64
Sh. Pankaj Sardana	4,21,264	5.71	4,18,664	5.67	4,12,414	5.58

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
17. OTHER EQUITY			
RESERVES & SURPLUS			
CAPITAL RESERVE			
Capital Subsidy			
Opening Balance	417.67	417.67	467.67
Less : Grant trf to deferred income	-	-	50.00
	<u>417.67</u>	<u>417.67</u>	<u>417.67</u>
SECURITIES PREMIUM RESERVE	87.14	87.14	87.14
GENERAL RESERVE			
Opening Balance	20,897.19	19,897.19	17,897.19
Add : Transferred from Profit & Loss Account	1,500.00	1,000.00	2,000.00
	<u>22,397.19</u>	<u>20,897.19</u>	<u>19,897.19</u>
DEFERRED INCOME			
Opening Balance	94.00	48.00	-
Add : Govt. Grant received during the year	-	50.00	50.00
Less : Grant apportioned to P & L	4.00	4.00	2.00
	<u>90.00</u>	<u>94.00</u>	<u>48.00</u>
PROFIT & LOSS ACCOUNT			
As per last Balance Sheet	1,754.97	856.09	920.53
Add : Profit for the year	2,302.60	1,898.89	2,305.07
Add/(Less) OCI	-	-	(3.04)
Add : Capitalisation of borrowing cost	-	-	75.64
Add : Provision of dividend write back	-	-	442.77
Add : Transfer from deferred income	-	-	2.00
	<u>4,057.57</u>	<u>2,754.98</u>	<u>3,742.97</u>
Less : Appropriations/Payments :			
(a) Interim Dividend	-	-	368.99
(b) Final Dividend	368.99	-	368.99
(c) Corporate tax on dividend	75.12	-	148.90
(d) Transferred to General Reserve	1,500.00	1,000.00	2,000.00
Surplus Carried Forward	<u>2,113.46</u>	<u>1,754.98</u>	<u>856.09</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
OTHER COMPREHENSIVE INCOME			
Opening balance	200.72	90.84	-
(a) Remeasurement of defined employee benefit plans	17.33	14.59	1.99
(b) Net change in fair value of investments other than equity	67.59	104.43	88.85
(c) Item reclassified to P & L	(146.04)	(9.14)	
	<u>139.60</u>	<u>200.72</u>	<u>90.84</u>
	<u>25,245.06</u>	<u>23,451.70</u>	<u>21,396.93</u>
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
18. BORROWINGS			
SECURED LOANS -			
Term Loan from HDFC Bank Ltd.			
Secured against Immovable Fixed Assets of Gurplah Unit and Fixed assets located at village Mauza Jadupur, Malda and Equitable Mortgage of land measuring 7.33 acres at village Mauza Jadupur, Malda (The Term Loan is repayable in twenty equal quarterly installments. First Installment from July 2014.)	50.00	250.00	450.00
UNSECURED LOANS			
Fixed Deposits (includes Rs. 3,34,72,000/- from Directors, previous year Rs. 4,45,41,000/-) (31.03.2016 – Rs. 51,40,30,000/-) (Maturity Period Ranging from 1 to 3 years)	5,051.06	4,449.59	4,060.06
	<u>5,101.06</u>	<u>4,699.59</u>	<u>4,510.06</u>
19. DEFERRED TAX LIABILITIES (NET)			
As per Last Balance Sheet	2,581.59	2,348.44	1,957.36
Add : Tax effect on OCI	(32.35)	58.15	48.08
Add : Provision for the year on account of timing difference arising on depreciation as per Income Tax Act & Companies Act and on account of others provisions	280.00	175.00	343.00
	<u>2,829.24</u>	<u>2,581.59</u>	<u>2,348.44</u>
20. OTHER NON CURRENT LIABILITIES			
Security Deposits	167.61	167.34	123.63
Provision for Investment	400.00	-	-
Other Long Term Liabilities	1,186.00	1,223.06	951.03
	<u>1,753.61</u>	<u>1,390.40</u>	<u>1,074.66</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
<u>CURRENT LIABILITIES</u>			
FINANCIAL LIABILITIES			
21. BORROWINGS			
SECURED			
Cash Credit limits from Banks			
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	8,555.68	4,422.67	5,110.81
(ii) Secured against Book Debts	1,481.10	304.52	1,004.27
UNSECURED			
Short Term Borrowings from Bank	-	1,000.00	1,000.00
	<u>10,036.78</u>	<u>5,727.19</u>	<u>7,115.08</u>
22. TRADE PAYABLES			
Sundry creditors for goods supplied :			
(i) Micro, Small & Medium Enterprises (*)	12.22	9.86	16.27
(ii) Others	2,023.00	1,636.60	1,858.31
Sundry creditors for Expenses	1,178.34	1,034.34	894.58
Other Creditors (**)	447.71	459.26	520.01
	<u>3,661.27</u>	<u>3,140.06</u>	<u>3,289.17</u>
(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil) (31.03.2016 – Nil)			
(**) Include ₹ 164.78 lacs (P.Y. ₹ 218.92 lacs) (31.03.2016 – 278.48) as advance from Sundry Customers for supply of Goods.			
23. OTHER CURRENT LIABILITIES			
Term Loan Repayment to the Bank(s) with in the year	200.00	200.00	200.00
Unclaimed Dividends	76.95	76.27	106.99
Taxes payable	725.40	149.25	155.27
Interest accrued but not due on Fixed Deposits	293.35	318.70	248.42
	<u>1,295.70</u>	<u>744.22</u>	<u>710.68</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)
24. REVENUE FROM OPERATIONS		
(i) Sales :		
Starches	24,802.44	23,024.29
Dextrines & Textilose	2,422.17	2,729.63
Glucose	23,673.43	22,648.84
Sorbitol	4,110.24	4,423.80
By-products	15,326.56	14,982.09
Misc. Sales	496.92	503.03
	<u>70,831.76</u>	<u>68,311.68</u>
(ii) Less : Excise Duty	761.28 (*)	3,140.67
Net Sales (i-ii)	<u>70,070.48</u>	<u>65,171.01</u>
(*) upto 30.06.2017 i.e. before applicability of GST		
25. OTHER INCOME		
Interest Received	136.82	152.08
Other Income (*)	51.42	28.53
Profit/(Loss) on sale of Assets/Units	304.81	47.31
	<u>493.05</u>	<u>227.92</u>
(*) Include Rent Received of ₹ 11.11 lacs (P.Y. ₹ 10.83 lacs) & Net Agriculture Income of ₹ 4.46 lacs (P.Y. ₹ 8.75 lacs)		
26. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	1,777.18	1,820.13
Purchase of Basic Raw Material	47,850.35	43,658.91
	<u>49,627.53</u>	<u>45,479.04</u>
Less : Closing Stock of Basic Raw Material	5,370.81	1,777.18
Effective Consumption of Basic Raw Material	<u>44,256.72</u>	<u>43,701.86</u>
Other Raw Materials, Consumables & Stores	3,952.41	3,353.06
	<u>48,209.13</u>	<u>47,054.92</u>
27. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,248.58	1,624.96
Opening Stock of Work in Progress	941.59	750.99
	<u>2,190.17</u>	<u>2,375.95</u>
Closing Stock of Finished Goods	1,329.38	1,248.58
Closing Stock of Work in Progress	751.47	941.59
	<u>2,080.85</u>	<u>2,190.17</u>
Change in Inventories	<u>109.32</u>	<u>185.78</u>
28. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	3,692.54	3,374.45
Cont. to PF, ESI, Superannuation & Other Funds	266.93	248.96
Workmen & Staff Welfare	165.75	160.96
	<u>4,125.22</u>	<u>3,784.37</u>



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

INFORMATION UNDER Ind AS-19 "EMPLOYEE BENEFITS" :

Defined Benefit Plan

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

(₹ lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2017-18	2016-17
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	792.97	693.33
(b) Current Service Cost	69.86	62.72
(c) Interest Cost	59.32	50.66
(d) Actuarial (Gain)/Loss	(24.50)	25.00
(e) Benefit Paid	(45.14)	(41.74)
(f) Present Value of Obligation as at the close of the year	852.51	792.97
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	741.93	670.67
(b) Expected Return on Plan Assets	57.13	50.30
(c) Actuarial (Gain)/Loss	2.00	2.70
(d) Actual Company Contribution	111.00	60.00
(e) Benefit Paid	(45.14)	(41.74)
(f) Fair Value of Plan Assets as at the close of the year	866.92	741.93
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	852.51	792.98
(b) Fair Value of Plan Assets	866.92	741.93
(c) Amount recognized in the Balance Sheet	14.41	51.05
D Expenses recognized during the year		
(a) Current Service Cost	69.86	62.72
(b) Interest Cost	59.32	50.66
(c) Expected Return on Plan Assets	(57.13)	(55.64)
(d) Actuarial (Gain)/Loss	(24.50)	25.00
(e) Net Cost	47.55	82.74
E Actuarial Assumptions		
(a) Discount Rate (per annum)	7.70%	7.50%
(b) Expected Rate of Return on Assets (per annum)	7.70%	7.50%
(c) Salary Escalation Rate	8.00%	8.00%



NOTES ON STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)
29. FINANCE COSTS		
Interest Expense	1,697.24	1,233.34
Other Borrowings Costs/Bank Charges	56.39	46.55
	<u>1,753.63</u>	<u>1,279.89</u>
30. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel	7,780.68	6,959.18
Machinery Repair	342.84	324.53
Building Repair	98.10	106.67
	<u>8,221.62</u>	<u>7,390.38</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	15.61	15.54
Professional/Legal Expenses	36.43	46.66
Directors' Fee	2.17	1.62
Travelling Expenses	150.38	133.79
Auditors' Remuneration	6.23	6.46
Rent Paid	37.10	40.08
Electricity & Water Charges	38.78	31.34
Entertainment	4.73	4.90
Postage, Telegram & Telephones	28.26	29.48
Advertisement	13.57	15.02
Subscription	29.68	20.36
General Charges	9.08	8.40
Insurance Expenses	49.67	52.15
Other Repairs & Maintenance	55.73	53.87
Commission & Brokerage	579.78	506.45
Other Govt. Taxes, Levies & Fees	39.98	34.53
Rebate & Discount	9.87	2.20
Directors' Commission	74.30	54.63
Charity & Donation	73.06	71.16
Provision for Investment	400.00	-
Carriage & Forwarding Charges	1,400.65	582.42
	<u>3,055.06</u>	<u>1,711.05</u>
	<u>11,276.68</u>	<u>9,101.43</u>



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
 - (i) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹ 314.33 lacs (Previous Year ₹ 331.38 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee of ₹ 40 crores to Yes Bank Ltd for availing the Term Loan by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.
 - (ii) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 32.34 Crores. The amount mainly includes ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of ₹ 1.18 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner, ₹ 2.22 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh and balance on account of other Misc. service tax demands due to difference of opinion.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 3.25 Crores (Previous year ₹ 2.75 Crores)
 - (iv) Export obligation pending to be fulfilled is US\$ 4.90 lacs (Previous year US\$ 11.32 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 25.21 lacs during the year under reference (Previous year US\$ 10.94 lacs).
3. National saving certificates of Rs. 0.08 lacs (Previous year Rs. 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include Rs. 235.16 lacs (Previous year Rs. 316.42 lacs) due from the subsidiary companies.

5. Earnings per share :	Current Year	Previous Year
(a) Net profit (after tax) available for Equity shareholders (₹ in Lacs)	2,302.95	1,862.20
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	32.35	25.23
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	32.35	25.23

6. Related Party Disclosures :

(a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

- | | | |
|--|---|------------|
| (i) The Vijoy Steel & General Mills Co. Ltd. | : | Subsidiary |
| (ii) Scott Industries Ltd. | : | Subsidiary |
| (iii) Sukhjit Mega Food Park & Infra Ltd. | : | Subsidiary |

KEY MANAGEMENT PERSONNEL

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



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

(Amount ₹ in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			24.00 (20.50)	24.00 (20.50)
Remuneration		309.37 (282.37)	214.11 (182.87)	523.48 (465.24)
On account of sales	Nil (Nil)			Nil (Nil)
On account of Purchases	17.34 (61.81)			17.34 (61.81)
Rent received	0.66 (0.66)			0.66 (0.66)

	<u>2017-18</u> (₹ Lacs)	<u>2016-17</u> (₹ Lacs)
7. (a) Managerial Remuneration paid/payable to the Executive Directors :		
(i) Salaries	195.18	184.68
(ii) Commission	37.14	27.32
(iii) Contribution to retirement benefit funds	14.68	14.15
(iv) Perquisites	34.44	34.34

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

	<u>2017-18</u> (₹ Lacs)	<u>2016-17</u> (₹ Lacs)
Net Profit as per Profit & Loss Account	3,617.16	2,777.20
Add : Commission to Directors	74.29	54.63
Directors Sitting Fee	2.07	1.62
	<u>3,693.52</u>	<u>2,833.45</u>
Less : Profit on sale of Assets/Shares	(304.81)	(47.31)
Balance :	<u>3,388.71</u>	<u>2,786.14</u>
Commission @ 1% on Net Profits to Directors	37.15	27.31
Commission @ 1% on Net Profits to Mg. Director and Jt. Mg. Director	37.14	27.32
Net Profit (as per Section 198)	3,314.42	2,731.51



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	<u>2017-18</u> (₹ Lacs)	<u>2016-17</u> (₹ Lacs)
8. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee (Inc Cost Audit fee)	5.80	5.80
Tax Audit Fee	0.42	0.42
9. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on a F.O.B. basis	1,636.14	730.66
10. VALUE OF IMPORTS ON C.I.F. BASIS (excluding canalised items)		
(i) Components/Spare Parts/Consumables	49.93	31.35
(ii) Capital Goods	124.02	107.62
12. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency on Foreign Travel	1.32	0.61
13. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION		
(i) Raw Materials :		
(a) Imported (excluding canalised items)	-	-
(b) Indigenous	47,884.42 (100%)	46,742.19 (100%)
(ii) Spare & Components :		
(a) Imported	22.27 (6.86%)	23.85 (7.63%)
(b) Indigenous	302.44 (93.14%)	288.88 (92.37%)

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



INDEPENDENT AUDITORS' REPORT

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the attached Consolidated financial statements of The Sukhjit Starch & Chemicals Limited (the Company) as at March 31, 2018, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Statement of Changes in Equity and the Consolidated Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these consolidated financial statements that give a true and fair view of the state of affairs, profit/ loss (including other comprehensive income), changes in Equity and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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



INDEPENDENT AUDITORS' REPORT

policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

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

- (i) In case of consolidated balance sheet, of the state of the affairs of the company as at 31st March 2018.
- (ii) In case of consolidated profit and loss Accounts, of the profit of the company for the year ended on the date.
- (iii) In case of changes in Equity, of the changes in equity for the year ended on that date.
- (iv) In the case of consolidated cash flow statement, of the cash flow for the year ended on that date.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets and Revenue from operations as follows as on 31st March, 2018.

Subsidiary Company	Total Assets (in Lacs)	Revenue from Operations (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	69.85	57.56
Scott Industries Ltd.	151.45	-
Sukhjit Mega Food Park & Infra Ltd.	2,855.86	53.78

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 Consolidated Balance Sheet, the Consolidated Profit and Loss Statement, the change in equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.



INDEPENDENT AUDITORS' REPORT

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our specific report in 'Annexure A' and
- (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 has disclosed the impact of pending litigations on its financial position in its consolidated financial statements as referred to in note to the consolidated financial statements.
 - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Place : Phagwara

Dated : 30th May, 2018

ANNEXURE A TO THE AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of The Sukhjit Starch & Chemicals Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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



INDEPENDENT AUDITORS' REPORT

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 judgement, 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.



INDEPENDENT AUDITORS' REPORT

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 Holding Company and its subsidiary companies, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place : Phagwara

Dated : 30th May, 2018

ANNEXURE A TO THE AUDITOR'S REPORT

The Annexure referred to in our Independent Auditors' Report to the members of The Sukhjit Starch & Chemicals Limited on the standalone financial statements for the year ended 31st March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per information given to us, the physical verification of fixed assets has been done by the management at reasonable intervals and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the bases of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has conducted physical verification of stock of finished goods, stores, spare parts and raw materials at reasonable intervals. In our opinion, the frequency of verification is reasonable.



- (iii) In our opinion and according to the information and explanation given to us, the Company has neither granted or taken any loans, secured or unsecured to or from the Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) Paragraph 3(iii)(a) of the Order is not applicable to the Company in respect of rate of Interest and other terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act.
 - (b) Paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.
 - (c) Paragraph 3(iii)(c) of the Order is not applicable to the Company in respect of amount overdue in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) 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.
- (v) In our opinion and according to the information and explanations given to us, the company has complied with the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under with regard to the deposits accepted from public.
- (vi) The Central Government has prescribed the maintenance of accounts and cost records under section 148(1) of the Act, which has been duly complied by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed Statutory dues including Provident Fund, Employees' State Insurance Income Tax, Sales Tax, Service Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance Income Tax, Sales Tax, Service Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material Statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

- (b) The Company has disputed liabilities of ₹ 32.34 crores (not provided in the accounts), which mainly include Central Excise liability of ₹ 28.93 crores against sale of Maize Starch since 01.04.1997. The company has explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account. Other items concern a demand of ₹ 1.18 crores raised on sale made through the consignment agents of the company which is pending before the Assistant Commissioner. The company does not



forsee any liability on this score as there is no valid / legal ground for the demand. ₹ 2.22 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh and other Misc. Service tax demands due to difference in opinion.

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

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

Sd/-

(AMIT CHADHA)

Partner

Memb. No. 507087

Place : Phagwara

Dated : 30th May, 2018



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2018

	NOTE	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
ASSETS				
1. NON CURRENT ASSETS				
(a) Property, Plant and Equipment	3	21,109.51	21,127.67	20,711.27
(b) Capital Work-in-progress	4	2,866.21	1,068.30	987.50
(c) Investment Property	5	2,146.65	2,313.99	1,918.87
(d) Other Intangible Assets	3	4.36	6.15	9.21
(e) Financial Assets				
(i) Investments	6	102.77	104.17	117.99
(f) Other Non Current Assets	7	414.08	303.63	323.51
Total Non current Assets		<u>26,643.58</u>	<u>24,953.91</u>	<u>24,068.35</u>
2. CURRENT ASSETS				
(a) Inventories	8	9,245.26	5,468.28	5,730.27
(b) Financial Assets				
(i) Investments	9	4,637.67	3,206.23	1,961.25
(ii) Trade Receivables	10	7,126.50	6,114.66	5,879.67
(iii) Cash & Cash Equivalents	11	1,099.61	46.07	109.48
(iv) Bank Balance other than (iii)	12	689.82	685.22	1,654.72
(v) Other Financial Assets	13	1,002.26	676.85	378.45
(c) Income Tax Assets (net)	14	351.51	644.21	683.87
(f) Other Current Assets	15	971.47	174.78	254.05
Total Current Assets		<u>25,124.10</u>	<u>17,016.30</u>	<u>16,651.76</u>
TOTAL		<u>51,767.68</u>	<u>41,940.21</u>	<u>40,720.11</u>
EQUITY AND LIABILITIES				
1. EQUITY				
(a) Equity Share Capital	16	737.98	737.98	737.98
(b) Other Equity	17	26,129.15	22,921.63	20,929.86
(c) Minority Interest		0.45	0.72	1.08
Total Equity		<u>26,867.58</u>	<u>23,660.33</u>	<u>21,668.92</u>
2. LIABILITIES				
(A) NON CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	5,301.06	4,699.59	4,510.06
(b) Deferred Tax Liability (Net)	19	2,812.38	2,564.73	2,336.81
(c) Other Non Current Liabilities	20	1,772.33	1,395.96	1,081.05
Total Non Current Liabilities		<u>9,885.77</u>	<u>8,660.28</u>	<u>7,927.92</u>
(B) CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	21	10,036.78	5,727.19	7,115.08
(ii) Trade Payables	22	3,679.46	3,148.19	3,297.91
(b) Other Current Liabilities	23	1,298.09	744.22	710.28
Total Current Liabilities		<u>15,014.33</u>	<u>9,619.60</u>	<u>11,123.27</u>
TOTAL		<u>51,767.68</u>	<u>41,940.21</u>	<u>40,720.11</u>

The accompanying notes are integral part of these financial statements

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

As per our separate report of even date
For VSAP & Associates
Chartered Accountants
Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)
1. Revenue From Operations	24	70,871.98	68,355.13
2. Other Income	25	548.78	227.27
3. Total Revenue		<u>71,420.76</u>	<u>68,582.40</u>
4. Expenses :			
Cost of Materials Consumed	26	48,225.38	47,062.57
Change in Inventories of Finished Goods, Stock in Trade & Work in Progress	27	114.61	197.99
Employee Benefits Expense	28	4,171.82	3,817.81
Finance Costs	29	1,755.65	1,279.89
Excise Duty	24	761.28	3,140.67
Depreciation and Amortisation Exp.	3	1,474.58	1,189.94
Other Expenses	30	11,335.70	9,147.87
Total Expenses		<u>67,839.02</u>	<u>65,836.74</u>
5. Profit Before Tax (3-4)		3,581.74	2,745.66
6. Tax Expense :			
- Current Tax	1,035.00		740.00
- Deferred Tax	<u>279.99</u>		<u>169.78</u>
7. Profit after Tax (5-6)		1,314.99	909.78
8. Add/(Less) Minority Interest		2,266.75	1,835.88
9. Profit for the period (7+8)		0.27	0.36
9. Profit for the period (7+8)		2,267.02	1,836.25
10. Other Comprehensive Income			
(A) Items that will not be reclassified to Profit or Loss			
(a) Remeasurement of defined employee benefit plans		26.50	(22.31)
(b) Income tax relating to items that will not be reclassified to Profit or Loss		(9.17)	7.72
(B) Items that will be reclassified to Profit or Loss			
(a) Net change in fair value of investment other than equity		103.36	159.69
(b) Income tax relating to items that will be reclassified to Profit & Loss		(35.77)	(55.27)
11. Total Comprehensive Income for the Period (Comprising Profit and other Comprehensive Income for the period) (9+10)		2,351.94	1,926.07
12. Earning per equity share :			
(a) Basic		31.87	26.10
(b) Diluted		31.87	26.10

The accompanying notes are intergal part of these financial statements

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

(₹ In lacs)

	Reserve and Surplus					Other Comprehensive Income		Total
	Capital Subsidy	Securities Premium	Deferred Income	General Reserve	Retained Earnings	Defined benefit plan	Fair value of investment	
AS ON 31 MARCH 2016								
Balance at the beginning of the reporting period i.e. 1st April, 2015	468.95	87.14	-	17,897.19	510.47	-	-	18,963.75
Profit for the year					2,246.78			2,246.78
Grant received			50.00					50.00
Other Comprehensive Income					(3.04)	1.99	88.85	87.80
Dividends					(737.98)			(737.98)
Tax on dividend					(148.90)			(148.90)
Transfer to/from deferred income	(50.00)		(2.00)		2.00			(50.00)
Transfer to General Reserve				2,000.00	(2,000.00)			-
Capitalization of borrowing cost					75.64			75.64
Dividend written back					442.77			442.77
Balance at the end of the reporting period i.e. 31st March, 2016	418.95	87.14	48.00	19,897.19	387.74	1.99	88.85	20,929.86
AS ON 31 MARCH 2017								
Balance at the beginning of the reporting period i.e. 1st April, 2016	418.95	87.14	48.00	19,897.19	387.74	1.99	88.85	20,929.86
Profit for the year					1,835.89			1,835.89
Grant received			50.00					50.00
Other Comprehensive Income						14.59	104.43	119.02
Transfer to/from deferred income			(4.00)					(4.00)
Transfer to General Reserve				1,000.00	(1,000.00)			-
OCI reclassified to P&L							(9.14)	(9.14)
Balance at the end of the reporting period i.e. 31st March, 2017	418.95	87.14	94.00	20,897.19	1,223.63	16.58	184.14	22,921.63
AS ON 31 MARCH 2018								
Balance at the beginning of the reporting period i.e. 1st April, 2017	418.95	87.14	94.00	20,897.19	1,223.63	16.58	184.14	22,921.63
Profit for the year					2,266.75			2,266.75
Grant received			1,500.00					50.00
Other Comprehensive Income						17.33	67.59	84.92
Dividends					(368.99)			(368.99)
Tax on dividend					(75.12)			(75.12)
Transfer to/from deferred income			(54.00)					(54.00)
Transfer to General Reserve				1,500.00	(1,500.00)			-
OCI reclassified to P&L							(146.04)	(146.04)
Balance at the end of the reporting period i.e. 31st March, 2018	418.95	87.14	1,540.00	22,397.19	1,546.27	33.91	105.69	24,629.15



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	For the Year Ended 31st March, 2018 (₹ Lacs)	For the Year Ended 31st March, 2017 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	3,581.74	2,745.67
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,474.58	1,189.94
Provision for Investment & Doubtful Debts	428.22	19.80
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(243.97)	(179.96)
Apportionment of Deferred Income	(50.00)	-
Interest paid	1,697.24	1,233.34
(Profit) Loss on sale of investments/assets	<u>(304.81)</u>	<u>(47.31)</u>
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES IN WORKING CAPITAL	<u>6,583.00</u>	<u>4,961.48</u>
Trade and other receivables	(2,162.42)	(427.93)
Inventories	(3,776.99)	261.99
Trade Payables	531.27	(150.08)
Other Liabilities	<u>553.19</u>	<u>64.66</u>
NET FLOWS FROM OPERATING ACTIVITIES	<u>1,728.05</u>	<u>4,710.12</u>
Net Direct Taxes Paid	<u>(718.90)</u>	<u>(700.71)</u>
NET FLOWS FROM OPERATING ACTIVITIES	1,009.16	4,009.41
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,252.43)	(1,830.38)
Sale of Fixed Assets	305.09	98.48
Acquisition of Minority Interest	(0.27)	(0.36)
Other Investments	(1,493.12)	(1,393.34)
Interest received	<u>243.97</u>	<u>179.96</u>
NET FLOWS FROM INVESTING ACTIVITIES	(4,196.76)	(2,945.64)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	4,309.59	(1,387.89)
Term Loans raised	200.00	-
Repayment of Term Loan	(200.00)	(200.00)
Other Loans raised	576.83	705.27
Government Grants	1,500.00	50.00
Dividends paid	(443.43)	(30.71)
Interest paid	<u>1,697.24</u>	<u>(1,233.34)</u>
NET FLOWS FROM FINANCING ACTIVITIES	4,245.75	(2,096.67)
Net Cash Flows during the year	1,058.15	(1,032.90)
Cash & cash equivalents at the beginning of the year	731.30	1,764.20
Cash & cash equivalents at the end of the year	1,789.45	731.30

(*) (includes cash & cash equivalents and bank balance)

The accompanying notes are intergal part of these financial statements

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

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Amit Chadha)
Partner
Memb. No. 507087
Firm Reg. No. 018705N
Place : Phagwara
Dated : 30th May, 2018

DIRECTORS

S.C. JINDAL
S.K. ANAND
K.K. SARDANA
V.K. SARDANA



NOTES

Forming part of the consolidated financial statements for the year ended 31st March, 2018.

1. CORPORATE INFORMATION

The consolidated financial statements comprise financial statements of The Sukhjit Starch & Chemicals Limited ('The Parent Company') and its subsidiaries (Collectively, the group). The parent company is Public Limited Company incorporated and domiciled in India. The address of its registered office is Sarai Road, Phagwara - 144401.

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

The Parent Company is listed on Bombay Stock Exchange Ltd. (BSE). The consolidated financial statements for the year ended March 31, 2018 were approved by the Board of Directors on 30.05.2018.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

(b) Basis of preparation of Consolidated Financial Statement

The accounts have been prepared in accordance with IND AS and Disclosures thereon comply with requirements of IND AS, stipulations contained in Schedule- III (revised) as applicable under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, Companies (Indian Accounting Standards) Rules 2015 as amended from time to time and rules & guidelines issued by SEBI as applicable.

(c) First Time Adoption of Ind-AS

(i) Transition to IND-AS :

The consolidated financial statements for the year ended 31st March 2018 are the first to have been prepared in accordance with IND AS. Opening consolidated balance sheet as on 1st April 2016 and 31st March 2017 have been presented as comparatives. The transition was carried out retrospectively as on the transition date which is 1st April 2016.

(ii) Exemptions / Exceptions availed :

Being first time adoption of IND AS, the company has availed the following exemptions as granted under Appendix C & D of IND AS 101 :-

(i) Carrying values for all of its Property, Plant and Equipment, Intangible assets and Investment property as at the date of transition to IND AS, measured as per previous GAAP have been treated as their deemed costs as at the date of transition.

(ii) Carrying value for all of its investment in subsidiaries as at the date of transition to IND AS, measured as per previous GAAP are treated as their deemed costs as at the date of transition.

(d) Property, Plant and Equipment

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



- (i) Cost includes freight, duties, taxes and other expenses directly incidental to acquisition, bringing the asset to the location and installation including site restoration up to the time when the asset is ready for intended use. Such Costs also include borrowing cost if the recognition criteria are met.
 - (ii) Depreciation on Plant & Machinery has been provided on straight line method in terms of expected life span of assets and on other PPEs on written down value. In the following category of property, plant and equipment, the depreciation has been provided on the technical evaluation of the useful life which is different from the one specified in Schedule II to the Companies Act, 2013.
 - Buildings - 3 to 60 years
 - Plant and Machinery - 5 to 25 years
 - Office equipment - 5 to 10 years
 - Vehicles - 8 to 10 years
 - (iii) During sales of any Property, Plant and Equipment, any profit earned / loss sustained towards excess / shortfall of sale value vis-a-vis carrying cost of assets is accounted for in statement of profit & loss.
- (e) Intangible assets**
Intangible assets purchased are measured at cost less accumulated amortisation and accumulated impairment, if any and are amortised as per the useful life on written down value basis, as per the rates specified in the Companies Act, 2013.
- (f) Investments**
To comply with the requirements of Ind AS 109, the company has elected during its first time adoption of IND AS to present gains or losses on investment in equity securities / mutual funds held at the end of the financial year at fair value through other comprehensive income (FVTOCI). However, any gains or losses on sale of investment during the year are charged in profit and loss account.
- (g) Investment Property**
On transition to Ind AS, Company has elected to continue with the carrying value of all the investment properties as per previous GAAP and use that carrying value as deemed cost of investment properties. However, a disclosure of market value of such investment properties have been mentioned in the notes to accounts.
- (h) Financial Instruments**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Classification, Initial recognition & measurement, Subsequent measurement and de-recognition of the financial assets and financial liabilities of the company have been made in accordance with Ind AS.
- (i) Inventories**
Raw Material, stores & spares, packing material, components, stock in process, finished goods and goods held for resale are valued at lower of cost and net realisable value. By-products are valued at their net realisable value. The costs are, in general, determined on a weighted average basis. Due allowance is made for obsolete items, if any.
- (j) Cash and Cash Equivalents**
Cash and Cash equivalents comprise of cash in hand, cheque in hand and balances of current accounts with banks.



(k) Income Tax and Deferred Tax

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

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

(l) Lease assets

Leases in which a significant portion of risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit & loss account on accrued basis.

(m) Use of Estimates

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

(n) Recognition of Income and Expenses

(i) Sales have been recognized with the transfer of significant risk and rewards of ownership of the goods, with the company losing effective control or the right to managerial involvement thereon. It has been measured at the fair value of consideration received or receivable. Sales recognized is net of GST, net of rebate & discount but include excise duty where applicable.

(ii) Dividends are recognised in profit & loss account only when right to receive payment is established, it is probable that economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

(iii) Interest income is recognized in the statement of profit and loss on time proportion basis taking into consideration the outstanding amount and the applicable rate of interest.

(iv) Insurance claims are accounted for on the basis of claims admitted by the insurers.

(v) Other incomes have been recognized on accrual basis in financial statements except for cash flow information.

(o) Government subsidy / Grants

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

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

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

(p) Employee Benefits

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



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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS		TOTAL PREVIOUS YEAR
	LAND BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	
COST								
Cost as on 1.4.2017	1,281.51	270.69	22,173.63	1,015.42	395.82	32,195.74	34.74	32,230.48
Additions	2.72	18.87	1,180.10	79.81	11.04	1,454.90	--	1,454.90
Sale/Adjustments	--	--	--	0.31	--	0.31	--	0.31
Total as on 31.3.2018	1,284.23	289.56	23,353.73	1,094.93	406.87	33,650.34	34.74	33,685.08
DEPRECIATION								
Upto 31.3.2017	--	211.49	6,959.50	767.12	327.81	11,068.07	28.59	11,096.66
For the Year	--	18.36	1,024.02	62.34	27.10	1,472.79	1.79	1,474.58
On Sale/Adjustments	--	--	--	0.03	--	0.03	--	0.03
Upto 31.3.2018	--	229.85	7,983.53	829.44	354.91	12,540.83	30.38	12,571.21
NET VALUE								
As at 31.3.2018	1,284.23	59.71	15,370.21	265.49	51.96	21,109.51	4.36	21,113.87



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS		TOTAL PREVIOUS YEAR
	LAND BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TOTAL TANGIBLE ASSETS	COMPUTER SOFTWARE	
COST								
Cost as on 1.4.2016	1,214.93	250.68	21,210.38	967.08	388.43	30,595.12	33.68	30,628.80
Additions	66.95	20.01	1,014.68	49.69	7.39	1,653.39	1.06	1,654.45
Sale/Adjustments	--	--	51.43	1.35	--	52.77	--	52.77
Total as on 31.3.2017	1,281.51	270.69	22,173.63	1,015.42	395.82	32,195.74	34.74	32,230.48
DEPRECIATION								
Upto 31.3.2016	--	192.94	6,248.54	692.39	288.77	9,883.86	24.47	9,908.33
For the Year	--	18.55	711.29	76.00	39.04	1,185.82	4.12	1,189.94
On Sale/Adjustments	--	--	0.33	1.27	--	1.60	--	1.60
Upto 31.3.2017	--	211.49	6,959.50	767.12	327.81	11,068.07	28.59	11,096.66
NET VALUE								
As at 31.3.2017	1,281.51	59.20	15,214.13	248.30	68.01	21,127.67	6.15	21,133.82
								20,720.48



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL	PREVIOUS YEAR
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	TANGIBLE ASSETS	COMPUTER SOFTWARE		
COST										
Cost as on 1.4.2015	1,150.60	6,441.81	229.69	19,930.56	928.22	364.07	29,044.96	25.14	29,070.10	25,770.66
Additions	64.33	121.82	20.99	1,283.38	39.40	35.34	1,565.24	8.54	1,573.78	3,389.28
Sale/Adjustments	--	--	--	3.56	0.54	10.98	15.08	--	15.08	89.84
Total as on 31.3.2016	1,214.93	6,563.63	250.68	21,210.38	967.08	388.43	30,595.12	33.68	30,628.80	29,070.10
DEPRECIATION										
Upto 31.3.2015	--	2,111.53	171.92	5,533.29	613.00	243.51	8,673.25	18.55	8,691.80	7,299.03
For the Year	--	349.69	21.02	715.48	79.91	50.72	1,216.81	5.91	1,222.73	1,419.84
On Sale/Adjustments	--	--	--	0.23	0.51	5.46	6.21	--	6.21	27.07
Upto 31.3.2016	--	2,461.22	192.94	6,248.54	692.39	288.77	9,883.86	24.47	9,908.33	8,691.80
NET VALUE										
As at 31.3.2016	1,214.93	4,102.41	57.74	14,961.83	274.69	99.66	20,711.27	9.21	20,720.48	20,378.30

NOTE : 3



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
<u>NON CURRENT ASSETS</u>			
4. CAPITAL WORK-IN-PROGRESS			
Building under consturction	1,463.26	752.78	689.91
Machinery under Errection	442.07	312.80	296.82
Electric Installation under Errection	2.24	-	-
Advances for Work in progress	955.13	-	-
Furniture/Fixtures under Construction	3.51	2.73	0.78
	<u>2,866.21</u>	<u>1,068.30</u>	<u>987.50</u>
5. INVESTMENT PROPERTY			
Land	1,629.95	1,627.29	1,532.17
Advances against Purchase of Property	516.70	686.70	386.70
	<u>2,146.65</u>	<u>2,313.99</u>	<u>1,918.87</u>

Market Value of Investment Property ₹ 2,321.25 lacs (P.Y. ₹ 2,691.77 lacs) (31.03.2016 - ₹ 3,276.69 lacs)

FINANCIAL ASSETS

6. INVESTMENTS

INVESTMENT IN EQUITY INSTRUMENTS

UNQUOTED FULLY PAID - OTHERS

Hindusthan Engineering & Industries Ltd.	-	-	14.56
Nil Shares (Prev. Year Nil shares) (31.03.2016 - 72610 shares)			

INVESTMENT IN GOVT. SECURITIES - UNQUOTED

National Saving Certificate	0.08	0.08	0.08
Membership (Investment) - The Country Club	0.65	0.65	0.65

INVESTMENT (AT FAIR VALUE)

INVESTMENT IN DEBENTURES / BONDS
(QUOTED)

Tata Capital Ltd.	102.04	103.44	102.70
20 Non-Convertible Secured Debentures (Prev. Year 20 deb.) (31.03.2016 - 20 deb.)			
	<u>102.77</u>	<u>104.17</u>	<u>117.99</u>

Aggregate Amount of Unquoted Investments - ₹ 0.72 lacs (P.Y. ₹ 0.72 lacs) (31.03.2016 - ₹ 15.29 lacs)

Aggregate Amount of Quoted Investments - ₹ 102.04 lacs (P.Y. ₹ 103.44 lacs) (31.03.2016 - ₹ 102.70 lacs)

7. OTHER NON CURRENT ASSETS

Unsecured - Considered Good

Security / Other Deposits	245.60	245.05	218.85
Other Advances	168.48	58.58	104.66
	<u>414.08</u>	<u>303.63</u>	<u>323.51</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
<u>CURRENT ASSETS</u>			
8. INVENTORIES			
Raw Materials Basic (at cost or net realisable value whichever is lower)	5,381.41	1,793.04	1,848.22
Stock in Process (at cost or net realisable value whichever is lower)	751.47	941.60	750.99
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	1,356.81	1,281.30	1,666.49
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,738.75	1,435.82	1,449.21
Loose Tools (at cost or net realisable value whichever is lower)	16.82	16.52	15.36
	<u>9,245.26</u>	<u>5,468.28</u>	<u>5,730.27</u>
FINANCIAL ASSETS			
9. INVESTMENTS			
INVESTMENT (AT FAIR VALUE)			
INVESTMENT IN UNITS OF MUTUAL FUNDS			
UNQUOTED :			
(i) HDFC Short Term Debt Fund Nil units (Prev. Year 967535.944 units) (31.03.2016 - 967535.944 units)	-	174.04	159.84
(ii) Reliance Short Term Fund Nil units (Prev. Year 1494781.57 units) (31.03.2016 - 1494781.57 units)	-	460.65	422.70
(iii) UTI Short Term Income Fund Nil units (Prev. Year Nil units) (31.03.2016 - 627273.868 units)	-	-	113.98
(iv) Reliance Regular Saving Fund Nil units (Prev. Year 1071704.145 units) (31.03.2016 - 1071704.145 units)	-	242.81	221.32
(v) Edelweiss Government Securities Fund Nil units (Prev. Year 881710.855 units) (31.03.2016 - 881710.855 units)	-	120.66	109.95
(vi) UTI Income Opportunity Fund 2021113.903 units (Prev. Year 3521046.416 units) (31.03.2016 - 781567.512 units)	320.29	523.40	105.48



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
(vii) HDFC Regular Saving Fund 5374923.780 units (Prev. Year 1200631.127 units) (31.03.2016 - 544749.343 units)	1,850.79	389.12	161.19
(viii) ICICI Prudential Corporate Bond Fund Nil units (Prev. Year 455176.495 units) (31.03.2016 - 455176.495 units)	-	115.47	105.04
(ix) SBI Corporate Bond Fund 850414.445 units (Prev. Year 850414.445 units) (31.03.2016 - 444187.803 units)	237.54	222.88	105.86
(x) UTI Floating Rate Fund 38276.151 units (Prev. Year 22965.628 units) (31.03.2016 - 4632.076 units)	1,081.51	609.75	113.36
(xi) Baroda Pioneer Liquid Fund 40396.440 units (Prev. Year Nil units) (31.03.2016 - Nil units)	803.62	-	-
	<u>4,293.75</u>	<u>2,858.78</u>	<u>1,618.72</u>
INVESTMENT IN BONDS/DEBENTURES QUOTED :			
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) (31.03.2016 - 2472 Bonds)	26.31	26.61	25.96
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb.) (31.03.2016 - 30 Deb.)	317.61	320.84	316.57
	<u>343.92</u>	<u>347.45</u>	<u>342.53</u>
	<u>4,637.67</u>	<u>3,206.23</u>	<u>1,961.25</u>

Aggregate Amount of Unquoted Investments - ₹ 4,256.21 lacs (P.Y. ₹ 2,835.89 lacs) (31.03.2016 - ₹ 1,612.85 lacs)
Aggregate Amount of Quoted Investments - ₹ 343.92 lacs (P.Y. ₹ 347.45 lacs) (31.03.2016 - ₹ 342.53 lacs)

10. TRADE RECEIVABLES

Considered Good	6,959.36	5,948.71	5,694.17
Considered Doubtful	325.70	303.88	302.80
	<u>7,285.06</u>	<u>6,252.59</u>	<u>5,996.97</u>
Less : Provision for Doubtful debts	158.56	137.93	117.30
	<u>7,126.50</u>	<u>6,114.66</u>	<u>5,879.67</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
11. CASH AND CASH EQUIVALENTS			
Cash in Hand	15.95	13.56	25.75
Balance with Scheduled Banks in Current Accounts	<u>1,083.66</u>	<u>32.51</u>	<u>83.73</u>
	<u>1,099.61</u>	<u>46.07</u>	<u>109.48</u>
12. BANK BALANCES			
Balance with Scheduled Banks in Unclaimed Divident Accounts	76.95	76.27	106.99
Margin Money Accounts (*)	52.87	48.95	47.73
Fixed Deposit Accounts (**)	<u>560.00</u>	<u>560.00</u>	<u>1,500.00</u>
	<u>689.82</u>	<u>685.22</u>	<u>1,654.72</u>
(*) Include Balances of ₹ 12.87 lacs (P.Y. ₹ 25.54 lacs) (31.03.2016 – 17.13 lacs) with the maturity of more than one year.			
(**) Include Balances of ₹ Nil (P.Y. ₹ 550 lacs) (31.03.2016 – Nil) with the maturity of more than one year.			
13. OTHER FINANCIAL ASSETS			
Unsecured - Considered Good			
Recoverable in cash or kind or for value to be received Considered Good	668.71	485.66	216.31
Other Advances	137.50	113.01	95.81
Pre Operative Expenses	<u>196.05</u>	<u>78.18</u>	<u>66.33</u>
	<u>1,002.26</u>	<u>676.85</u>	<u>378.45</u>
(*) Include ₹ 14.00 lacs (P.Y. ₹ 358.89 lacs) (31.03.2016 – 49.75 lacs) as Advances to Sundry Suppliers for purchahse of materials.			
14. INCOME TAX ASSETS (NET)			
Income Tax in advance	2,495.57	2,299.21	2,488.87
Less : Provision for Tax	<u>2,144.06</u>	<u>1,655.00</u>	<u>1,805.00</u>
	<u>351.51</u>	<u>644.21</u>	<u>683.87</u>
15. OTHER CURRENT ASSETS			
Prepaid Expenses	57.11	55.08	53.69
Interest & Other recoverables	<u>914.36</u>	<u>119.70</u>	<u>200.36</u>
	<u>971.47</u>	<u>174.78</u>	<u>254.05</u>
EQUITY			
16. EQUITY SHARE CAPITAL			
Authorised 10000000 Equity Shares of Rs. 10/- each	1,000.00	1,000.00	1,000.00
Issued, Subscribed & Paid up 7379820 Equity Shares of Rs. 10/- each fully paid up	737.98	737.98	737.98
	<u>737.98</u>	<u>737.98</u>	<u>737.98</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2018		As on 31st March 2017		As on 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,74,033	7.78	5,49,450	7.45	5,34,896	7.24
Sh. Kuldip Krishan Sardana	6,28,450	8.52	5,88,228	7.97	5,67,309	7.68
Sh. Dhiraj Sardana	4,24,578	5.75	4,18,938	5.68	4,10,693	5.56
Sh. Bhavdeep Sardana	4,17,442	5.66	4,16,084	5.63	4,16,084	5.63
Sh. Puneet Sardana	4,21,833	5.72	4,20,833	5.70	4,16,833	5.64
Sh. Pankaj Sardana	4,21,264	5.71	4,18,664	5.67	4,12,414	5.58

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
17. OTHER EQUITY			
RESERVES & SURPLUS			
CAPITAL RESERVE			
Capital Subsidy			
Opening Balance	418.95	418.95	468.95
Less : Grant trf to deferred income	-	-	50.00
	<u>418.95</u>	<u>418.95</u>	<u>418.95</u>
SECURITIES PREMIUM RESERVE	87.14	87.14	87.14
GENERAL RESERVE			
Opening Balance	20,897.19	19,897.19	17,897.19
Add : Transferred from Profit & Loss Account	1,500.00	1,000.00	2,000.00
	<u>22,397.19</u>	<u>20,897.19</u>	<u>19,897.19</u>
DEFERRED INCOME			
Opening Balance	94.00	48.00	-
Add : Govt. Grant received during the year	1,500.00	50.00	50.00
Less : Grant apportioned to P & L	54.00	4.00	2.00
	<u>1,540.00</u>	<u>94.00</u>	<u>48.00</u>
PROFIT & LOSS ACCOUNT			
As per last Balance Sheet	1,223.63	387.74	510.47
Add : Profit for the year	2,266.75	1,835.89	2,246.78
Add/(Less) OCI	-	-	(3.04)
Add : Capitalisation of borrowing cost	-	-	75.64
Add : Provision of dividend write back	-	-	442.77
Add : Transfer from deferred income	-	-	2.00
	<u>3,490.38</u>	<u>2,223.63</u>	<u>3274.62</u>
Less : Appropriations/Payments :			
(a) Interim Dividend	-	-	368.99
(b) Final Dividend	368.99	-	368.99
(c) Corporate tax on dividend	75.12	-	148.90
(d) Transferred to General Reserve	1,500.00	1,000.00	2,000.00
Surplus Carried Forward	<u>1,546.27</u>	<u>1,223.63</u>	<u>387.74</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
OTHER COMPREHENSIVE INCOME			
Opening balance	200.72	90.84	–
(a) Remeasurement of defined employee benefit plans	17.33	14.59	1.99
(b) Net change in fair value of investments other than equity	67.59	104.43	88.85
(c) Item reclassified to P & L	<u>(146.04)</u>	<u>(9.14)</u>	<u>–</u>
	<u>139.60</u>	<u>200.72</u>	<u>90.84</u>
	<u>26,129.15</u>	<u>22,921.63</u>	<u>20,929.86</u>
LIABILITIES			
NON CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
18. BORROWINGS			
SECURED LOANS -			
Terms Loan from HDFC Bank Ltd. Secured against Immovable Fixed Assets of Gurplah Unit and Fixed assets located at village Mauza Jadupur, Malda and Equitable Mortgage of land measuring 7.33 acres at village Mauza Jadupur, Malda (The Term Loan is repayable in twenty equal quarterly installments. First Installement from July, 2014.)	50.00	250.00	450.00
Term Loan from Yes Bank Ltd. (for setting up of Mega Food Park secured against charge on all current & movable fixed assets of Food Park)	200.00	–	–
UNSECURED LOANS			
Fixed Deposits (includes ₹ 3,34,72,000/- from Directors, previous year ₹ 4,45,41,000/-) (31.03.2016 – ₹ 51,40,30,000/-) (Maturity Period Ranging from 1 to 3 years)	5,051.06	4,449.59	4,060.06
	<u>5,301.06</u>	<u>4,699.59</u>	<u>4,510.06</u>
19. DEFERRED TAX LIABILITIES (NET)			
As per Last Balance Sheet	2,564.74	2,336.80	1,955.01
Add : Tax effect on OCI	(32.35)	58.15	48.08
Less : Transfer from Fixed Assets			
Add : Provision for the year on account of timing difference arising on depreciation as per Income Tax Act & Companies Act and on account of others provisions	279.99	169.78	333.72
	<u>2,812.38</u>	<u>2,564.73</u>	<u>2,336.81</u>
20. OTHER NON CURRENT LIABILITIES			
Security Deposits	179.76	167.34	123.63
Provisions	406.57	5.56	6.39
Other Long Term Liabilities	1,186.00	1,223.06	951.03
	<u>1,772.33</u>	<u>1,395.96</u>	<u>1,081.05</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)	AS ON 31.3.2016 (₹ LACS)
<u>CURRENT LIABILITIES</u>			
FINANCIAL LIABILITIES			
21. BORROWINGS			
SECURED			
Cash Credit limits from Banks			
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	8,555.68	4,422.67	5,110.81
(ii) Secured against Book Debts	1,481.10	304.52	1,004.27
UNSECURED			
Short Term Borrowings from Bank	-	1,000.00	1,000.00
	<u>10,036.78</u>	<u>5,727.19</u>	<u>7,115.08</u>
22. TRADE PAYABLES			
Sundry creditors for goods supplied :			
(i) Micro, Small & Medium Enterprises (*)	12.22	9.86	16.27
(ii) Others	2,029.96	1,639.43	1,861.58
Sundry creditors for Expenses	1,189.57	1,039.64	900.05
Other Creditors (**)	447.71	459.26	520.01
	<u>3,679.46</u>	<u>3,148.19</u>	<u>3,297.91</u>
(*) There was Nil amount outstanding for more than 45 days & no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (P.Y. Nil) (31.03.2016 – Nil)			
(**) Include ₹ 164.78 lacs (P.Y. ₹ 218.92 lacs) (31.03.2016 – 278.48) as advance from Sundry Customers for supply of Goods.			
23. OTHER CURRENT LIABILITIES			
Term Loan Repayment to the Bank(s) with in the year	200.00	200.00	200.00
Unclaimed Dividends	76.95	76.27	106.99
Taxes payable	727.79	149.25	154.87
Interest accrued but not due on Fixed Deposits	293.35	318.70	248.42
	<u>1,298.09</u>	<u>744.22</u>	<u>710.28</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	AS ON 31.3.2018 (₹ LACS)	AS ON 31.3.2017 (₹ LACS)
24. REVENUE FROM OPERATIONS		
Sales :	70,871.98	68355.13
Excise Duty	761.28 (*)	3,140.67
Net Sales (i-ii)	<u>70,110.70</u>	<u>65,214.46</u>
(*) upto 30.06.2017 i.e. before applicability of GST.		
25. OTHER INCOME		
Interest Received	136.82	152.09
Other Income (*)	107.15	27.87
Profit/(Loss) on sale of Assets/Units	304.81	47.31
	<u>548.78</u>	<u>227.27</u>
(*) Include Rent Received of ₹ 11.11 lacs (P.Y. ₹ 10.83 lacs) & Net Agriculture Income of ₹ 4.46 lacs (P.Y. ₹ 8.75 lacs)		
26. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	1,793.04	1,8248.22
Purchase of Basic Raw Material	47,868.50	43,669.72
	<u>49,661.54</u>	45,517.94
Less : Closing Stock of Basic Raw Material	5,381.41	1,793.04
Effective Consumption of Basic Raw Material	44,280.13	43,724.90
Other Raw Materials, Consumables & Stores	3,945.25	3,337.67
	<u>48,225.38</u>	<u>47,062.57</u>
27. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,281.30	1,669.89
Opening Stock of Work in Progress	941.59	750.99
	2,222.89	2,420.88
Closing Stock of Finished Goods	1,356.81	1,281.30
Closing Stock of Work in Progress	751.47	941.59
	2,108.28	2,222.89
Change in Inventories	<u>114.61</u>	<u>197.99</u>
28. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	3,733.17	3,401.91
Cont. to PF, ESI, Superannuation & Other Funds	269.29	251.62
Workmen & Staff Welfare	169.36	164.28
	<u>4,171.82</u>	<u>3,817.81</u>
29. FINANCE COSTS		
Interest Expense	1,697.24	1,233.33
Other Borrowings Costs/Bank Charges	58.41	46.56
	<u>1,755.65</u>	<u>1,279.89</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

	FOR THE YEAR ENDED 31.3.2018 (₹ LACS)	FOR THE YEAR ENDED 31.3.2017 (₹ LACS)
30. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel & Others	7,785.14	6,963.18
Machinery Repair	333.96	319.85
Building Repair	98.10	106.67
	8,217.20	7,389.70
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	15.99	15.58
Professional/Legal Expenses	39.40	46.93
Directors' Fee	2.17	1.62
Travelling Expenses	153.23	138.63
Auditors' Remuneration	6.79	6.86
Rent Paid	57.33	58.53
Electricity & Water Charges	39.55	31.34
Entertainment	4.73	5.28
Postage, Telegram & Telephones	28.37	29.61
Advertisement	19.37	15.23
Subscription	29.68	20.36
General Charges	9.52	9.07
Insurance Expenses	49.67	52.15
Other Repairs & Maintenance	56.12	54.15
Commission & Brokerage	579.78	506.45
Provision for Doubtful debts	20.63	20.63
Other Govt. Taxes, Levies & Fees	41.22	35.34
Rebate & Discount	16.84	2.20
Directors' Commission	74.29	54.63
Charity & Donation	73.17	71.16
Provision for Investment	400.00	-
Carriage & Forwarding Charges	1,400.65	582.42
	3,118.50	1,758.17
	11,335.70	9,147.87



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

1. Figures for the previous year have been recast / regrouped wherever necessary.
2. Contingent Liabilities not provided for include :
 - (a) **LCs / Bank Guarantees / Corporate Guarantee** issued for ₹ 314.33 lacs (Previous Year ₹ 331.38 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc. The Company has given a Corporate Guarantee of Rs. 40 crores to Yes Bank Ltd for availing the Term Loan by its wholly owned subsidiary 'M/s Sukhjit Mega Food Park & Infra Ltd.' for setting up the Mega Food Park.
 - (b) **Central Excise Duty** Disputed Liabilities, not provided as expense in the accounts, comprise of Rs. 32.34 Crores. The amount mainly includes ₹ 28.93 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notices against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items related to a demand of ₹ 1.18 crores raised on sale made through the consignment agents of the Company which is pending before the Assistant Commissioner, ₹ 2.22 Crores wrongly levied for R&C measures by A.P. Northern Power Distribution Company Ltd., Nizamabad against exemption enjoyed by the unit, the matter is pending before the Hon'ble High Court of Andhra Pradesh and balance on account of other Misc. service tax demands due to difference of opinion.
 - (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of Advances) : ₹ 36.75 Crores (Previous year ₹ 2.75 Crores)
 - (d) Export obligation pending to be fulfilled is US\$ 4.90 lacs (Previous year US\$ 11.32 lacs) in next 6 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 25.21 lacs during the year under reference (Previous year US\$ 10.94 lacs).

3. Earnings per share :	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (₹ in Lacs)	2,263.57	1,799.54
(b) Weighted average number of Equity Shares having face value of ₹ 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share of ₹ 10/- each (₹) (a/b)	31.82	24.38
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	31.82	24.38

4. Related Party Disclosures :

- (a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

(i) The Vijoy Steel & General Mills Co. Ltd.	:	Subsidiary
(ii) Scott Industries Ltd.	:	Subsidiary
(iii) Sukhjit Mega Food Park & Infra Ltd.	:	Subsidiary

KEY MANAGEMENT PERSONNEL

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

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

(Amount in ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			24.00 20.50	24.00 20.50
Remuneration		309.37 (282.37)	214.11 (182.87)	523.48 (465.24)
On account of sales	Nil (Nil)			Nil (Nil)
On account of Purchases	17.34 (61.81)			17.34 (61.81)
Rent received	0.66 (0.66)			0.66 (0.66)

	<u>2017-18</u> (₹ Lacs)	<u>2016-17</u> (₹ Lacs)
(c) Managerial Remuneration paid/payable to the Executive Directors		
Executive Directors :		
(i) Salaries	195.18	184.68
(ii) Commission	37.14	27.32
(iii) Contribution to retirement benefit funds	14.68	14.15
(iv) Perquisites	34.44	34.34

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	96.71	25,983.04	101.57	2,302.60
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.06)	(17.45)	(0.30)	(6.92)
– Scott Industries Ltd.	(1.86)	(500.15)	(1.14)	(25.86)
– Sukhjit Mega Food Park & Infra Ltd.	5.23	1,405.02	(1.12)	(3.08)
Minority Interest in all subsidiaries/ Associates	0.00	(0.45)	(0.01)	(0.27)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

6. Segment Reporting

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

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

Particulars	(Amt. in ₹ LACS)		
	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	1204.20	440.14	23.06
Reserves & Surplus / (Accummulated Losses)	1405.20	(500.15)	(16.16)
Total Assets	2855.86	151.45	71.15
Total Liabilities	2855.86	151.45	71.15
Investments	-	-	-
Revenue from Operations	53.77	2.68	57.56
Profit / (Loss) before taxation	(1.90)	(25.86)	(8.11)
Provision for taxation - Deffered tax	(1.18)	-	(0.19)
Profit / (Loss) after taxation	(3.08)	(25.86)	(6.92)
Proposed Dividend (if any)	Nil	Nil	Nil



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2018 (₹ Lacs)

Business Segment	Starch & its Derivatives		Readymade Garments		Mega Food Park		Heavy Machinery		Elimination		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1. Segment Revenue												
-- External Sales	71,324.09	68,538.94	2.687	--	53.78	--	40.22	43.46	--	--	71,420.76	68,582.40
-- Internal Sales	0.72	0.66	--	--	--	--	17.34	25.41	(18.06)	(26.07)	--	--
Total Revenue	71,324.81	68,539.60	2.68	--	53.78	--	57.56	68.87	(18.06)	(26.07)	71,420.76	68,582.40
2. Segment Result												
-- Profit before Taxation	3,617.60	2,813.89	(25.86)	(29.82)	(1.90)	(30.36)	(8.11)	(8.89)	0.01	0.85	3,581.74	2,745.67
-- Provision for Taxation	(1,315.00)	(915.00)	--	--	(1.18)	2.92	1.19	2.30	--	--	(1,314.99)	(909.78)
-- Profit after Taxation	2,302.60	1,898.89	(25.86)	(29.82)	(3.08)	(27.44)	(6.92)	(6.59)	0.01	0.85	2,266.75	1,835.89
3. Segment Assets												
-- Segment assets	50,660.70	42,472.73	151.45	179.06	2,855.86	106.73	69.85	82.08	(1,970.18)	(900.39)	51,767.68	41,940.21
-- Segment Liabilities	21,848.42	15,701.46	211.47	213.22	246.64	48.28	64.24	68.25	(283.55)	(316.06)	22,087.22	15,715.15
-- Capital Expenditure	1,263.99	1,714.16	--	--	--	--	--	1.39	--	--	1,263.99	1,715.55

THE SUKHJIT STARCH & CHEMICALS LIMITED

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

**ATTENDANCE SLIP
 ANNUAL GENERAL MEETING - AUGUST 8, 2018 AT 10.00 A.M.**

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

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company.
 I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on Wednesday the 8th day of August, 2018 at its Regd. office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

.....
 Member's/Proxy's Signature

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

**FORM NO. MGT-11
 PROXY FORM**

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, August 8, 2018 at 10.00 A.M. at its Regd. Office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

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

Signed this..... day of 2018.

Signature of shareholder : _____
 Signature of Proxy holder(s) : _____

Affix Revenue Stamp

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

PUNJAB

The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara-144 401 (Pb.) INDIA
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Fax : 01824-261669, 262077
E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com

TELANGANA

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Phones : 08462-237568, 237521
Fax : 08462-239330
E-mail : sukhjit.starch@gmail.com
Website : www.sukhjitgroup.com

WEST BENGAL

Sukhjit Starch Industries
WBIIDC Growth Centre, N.H.34,
Narayanpur, Malda-732 141 (WB) INDIA
Phones : 03512-263029, 263032, 263027
Fax : 03512-263026
E-mail : sukhjitmalda@gmail.com
Website : www.sukhjitgroup.com

HIMACHAL PRADESH

Sukhjit Agro Industries
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Website : www.sukhjitgroup.com



The Sukhjit Starch
& Chemicals Limited
Evolving with Nature

