

72nd
Annual Report
2015-2016



The Sukhjit Starch
& Chemicals Limited



THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

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

BANKERS

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

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

AUDITORS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

ANNUAL REPORT & ACCOUNTS 2015-2016



NOTICE

NOTICE is hereby given that the 72nd Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Wednesday, the 27th day of July, 2016 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 31.03.2016.
2. To appoint Director in place of Shri V.K. Sardana (DIN : 00528271), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 Companies Act, 2013 and to fix their remuneration.

Place : Phagwara.

Dated : 25th May, 2016

By Order of the Board

Sd/-

AMAN SETIA

Vice President (Finance)

& Company Secretary

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 31.03.2016 and Profit & Loss Account for the year ended on that date together with the Independent Auditors' Report and Directors' Report thereon are also enclosed. Members, are, however, requested to bring their copies of the Annual Report to the meeting.
3. The Register of Members and the Share Transfer Books of the Company shall remain closed from 22nd July, 2016 to 27th July, 2016 (both days inclusive).
4. Members holding shares in physical form, are requested to notify any change in their bank accounts, addresses and E-mail IDs etc. immediately to the Registrar-cum-Share Transfer Agents of the Company and members holding shares in Demat form, should furnish the said particulars to their respective Depository Participants.
5. As per the green initiative taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail Ids by sending written request to our RTA M/s Skyline Financial Services Pvt. Ltd. in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in Demat form to enable the Company to serve them documents / all communications including Annual Report, Notices, circulars etc. in electronic form.



6. The notice of the AGM along with the Annual Report for the Financial Year 2015-16 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.
7. 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. Further, under the amended provisions of the Companies Act, 2013 no claim shall lie for unclaimed dividends either from the company or the IEPF thereafter.
8. Members, who have not encashed their dividend warrants for the financial year 2008-2009, 2009-2010, Interim and Final Dividend 2010-2011, 2011-2012 , 2012-2013, 2013-2014, 2014-15 and Interim Dividend 2015-2016 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 given schedule :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2008-2009	25.08.2009	24.08.2016
2009-2010	09.08.2010	08.08.2017
2010-2011 (Interim Dividend)	11.01.2011	10.01.2018
2010-2011 (Final Dividend)	01.08.2011	31.07.2018
2011-2012	09.08.2012	08.08.2019
2012-2013	06.08.2013	05.08.2020
2013-2014	29.07.2014	28.07.2021
2014-2015	29.07.2015	28.07.2022
2015-2016 (Interim Dividend)	11.03.2016	10.03.2023

9. 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.
10. 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.
11. Information under clause 49 of the Listing Agreement with the Stock Exchange, Mumbai in respect of Director seeking appointment / re-appointment at the Annual General Meeting is given hereunder :
 Shri V.K. Sardana retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
 Shri V.K. Sardana is Managing Director of M/s. Teama Consortium India Ltd., Kolkata and Director of M/s. Britannia Sales & Service Pvt. Ltd. He has life long Management & administrative experience. He holds 32092 shares of our company.
 He has long association with the company and has contributed significantly to the overall growth of the company over the years, the board, therefore, recommends his re-appointment.
 Shri. V.K. Sardana, may deemed to be interested in the resolution relating to the said re-appointment.



12. (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 24th July, 2016

End of e-voting : Upto 5.00 P.M. on 26th July, 2016

E-voting shall not be allowed beyond 5.00 P.M. on 26th July, 2016. During E-voting period, the shareholders of the company, holding shares either in physical form or dematerialized form, as on the closing of business hours of the cut off date, may cast their vote electronically. The cut off date of e-voting is 21st July, 2016. The date of determination of shareholders for the purpose of dispatch of notice is 27th June, 2016.

- (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'**.

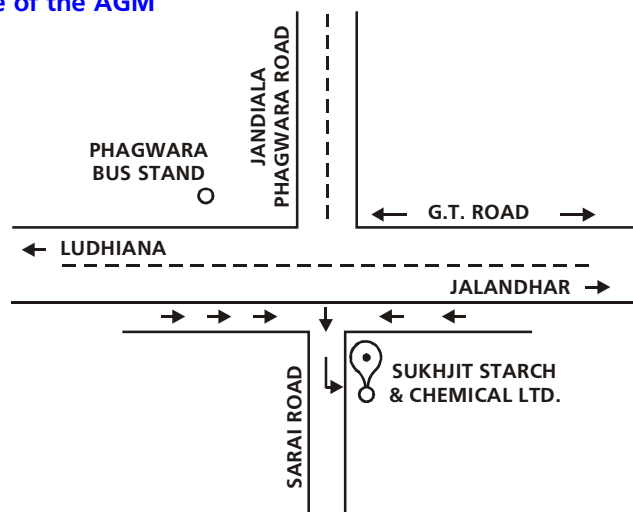
It also helps the shareholders to cast their vote from anywhere and at any time during E-voting period.

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, a 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





DIRECTORS' REPORT

Dear Share Holders :

Your Directors are pleased to present before you the 72nd Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2016 :-

1. FINANCIAL RESULTS

	2015-16 (₹ in Crores)	2014-15 (₹ in Crores)
Sales & Other income	568.43	534.17
Earning before Interest, tax and Depreciation	63.07	65.55
Less :-		
– Interest	15.28	17.77
– Depreciation	12.11	13.29
– Provision for taxes (including Deferred Tax)	12.63	11.28
Profit After Tax	23.05	23.20
Surplus brought forward from previous year	9.21	10.43
Surplus available for appropriation	32.26	33.63
Dividend (including Corporate Tax)	4.44	4.43
Transfer to General Reserves	20.00	20.00
Surplus carried forward	7.81	9.21

2. PERFORMANCE

The sales and other income of the company has improved from ₹ 534 crores to ₹ 568 crores despite there being a demand compression for some finished goods used by the FMCG sector which was adversely affected from poor rural demand due to consecutive droughts in the Country. The Earnings before Interest, tax and Depreciation came in at ₹ 63.07 crores (₹ 65.55) which after interest of ₹ 15.28 crores (₹ 17.77 crores) and depreciation of ₹ 12.11 crores (₹ 13.29 crores) resulted in Net profit before tax at ₹ 35.68 crores (₹ 34.49 crores). The availability of basic raw material being maize remains a concern throughout the year due to consecutive droughts in the major maize producing states of the country. The availability of the basic raw material at higher price did impact the operating margin of the Company.

3. FUTURE PROSPECTUS

With the prediction of good monsoon in the current year, we expect that raw material position will become comfortable from the months of October/November of the running year i.e. when the kharif crop (major crop of maize) comes in the market. We are putting our conscious efforts to show an overall improvement in Key operational parameters with constant focus on maintaining operational efficiency and optimum product mix.



4. MANAGEMENT DISCUSSION AND ANALYSIS

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

5. CORPORATE GOVERNANCE

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

6. DIVIDEND

The Company has declared and paid Interim Dividend @50% (i.e. ₹ 5/- per share) in March 2016. The directors have decided to maintain the dividend at the same rate of 50% (i.e. ₹ 5/- per share) for the FY 2015-16 as declared for the previous financial year 2014-15.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable Accounting Standards have been followed along with proper explanations relating to material departures;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year so ended;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors have prepared the Annual Accounts for the financial Year ended 31st March, 2016 on a 'going concern' basis;
- (v) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (vi) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

8. DEPOSITS

All the deposits have been accepted/ renewed / repaid as per the provisions of the Act. The company had no unclaimed / unpaid deposits on 31/03/2016.

9. 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 Company has been incorporated as an SPV for setting up the Mega Food Park in Punjab, which has been approved by the Ministry of Food Processing Industries (MoFPI), Govt. of India, New Delhi under its Mega Food Park Scheme. The Project is in the initial stages of getting various Govt. consents/approvals and will be in a position to take effective steps for commissioning during the year under reference.

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

As required under the Listing Agreement with the Bombay Stock Exchange, Consolidated Financial Statements of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Accounting Standard(s) as prescribed under the Companies Act, 2013.

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2016 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.

10. CONTINGENT LIABILITY

Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 27.18 Crores. The amount mainly includes ₹ 24.94 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 include show cause notice concerning demand of ₹ 1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise and ₹ 1.05 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.

11. PARTICULARS OF REMUNERATION TO DIRECTORS AND DISCLOSURES

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

However, in view of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the detail of the employees who are



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

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

Sr. No.	Name	Age	Designation	Gross Remuneration (₹ Lacs)
1	Shri I.K. Sardana	70	Managing Director	109.30
2	Shri K.K. Sardana	68	Jt. Managing Director	102.32

Qualification	Experience	Date of Joining	Last Employment/ Designation Held
B.A.	50	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	45	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.

12. DIRECTORS

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



13. INTERNAL FINANCIAL CONTROLS

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

14. VIGIL MECHANISM

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

15. 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.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The report on Corporate Social Responsibility activities conducted during the financial year 2015-16 is annexed herewith marked as 'Annexure D' to this report.

17. 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. Their salaries/ remuneration 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 per arm's length price, in terms of AS-18 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

18. MEETINGS OF THE BOARD

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

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

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



20. EXTRACT OF ANNUAL RETURN

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

21. 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 has been taking necessary steps to conserve / save energy by installing / replacing the equipments as ongoing process, where feasible, after due technical appraisal and energy audits. The main areas addressed during the year include:

- (i) Oversized hydro cyclones have been replaced appropriately thereby reducing size of motors each from 30HP to 20HP.
- (ii) Steeping process has been re-augmented thereby reducing the steeping time to 40 hours from earlier 55 to 60 hours, thus reducing the number of circulation pumps with consequent reduction in power and steam.
- (iii) Installed perpetual ventilators on the roofs in replacement of exhaust fans resulting in saving of power used by fans / electric lights earlier and harvesting of sun light as well.
- (iv) Optimized water consumption by recycling or reusing process water thereby reducing power load for withdrawal of ground water with due conservation of water resources.

(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 ₹36.39 lacs, on account of energy conservation equipments at its Phagwara (Pb.) and Nizamabad (Telangana) units.

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 ₹ 63.24 lacs during the year under reference (₹ 59.02 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 ₹ 741.50 lacs (₹ 438.68 lacs during previous year) on a F.O.B. Basis.

The Company has imported capital goods of ₹256.66 lacs (₹ Nil during previous year), Spare parts, components and consumables of ₹ 40.54 (₹31.19 Lacs during previous year) on a C.I.F. basis and incurred foreign traveling exp. of ₹ Nil (₹ 2.90 lacs during previous year).

22. AUDITORS AND AUDITORS' REPORT

Statutory Auditors :

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

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

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 2016-17. The Cost Audit Report for the financial year ended 31st, march 2016 is due to be filed with the Ministry of Corporate affairs on or before the September, 2016 and the cost audit report for the financial year ended 31/03/2015 was duly filled on 29/09/2015.

Secretarial Auditors :

The Board has appointed M/s Dinesh Gupta & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit report for the financial year ended March 31, 2016 is annexed herewith marked as 'Annexure F' 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 2016-17.

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

23. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the bankers, authorities, customers, members and other business 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.K. ANAND

Chairman

Dated : 25th May, 2016



ANNEXURE 'A' TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT :

Your company is one of the large manufacturers of Starch and its derivatives in India. It has manufacturing facilities in four states i.e. Phagwara in Punjab, Gurplah in Himachal Pradesh, Malda in West Bengal and Nizamabad in Telengana. The company is fully equipped for developing, manufacturing and distribution of Maize Starch, Dextrins, Liquid Glucose, Malto-dextrins, Dextrose Monohydrate, Dextrose Anhydrous, Sorbitol 70% Sol. and bye products like Maize Oil, Maize Oil Cake, Corn Gluten etc. The manufacturing facilities have well equipped Research & Development units to continuously improve the product-line and their applications.

The company's products enjoy an enviable position in the market and the company believes that quality is the lifeline of every business. It follows a balanced fair business policy for dealing with all stakeholders including its vendors and customers. The Management works with a vision to maximize shareholders' value by following fully transparent and most ethical business practices.

The company's products find extensive use mainly in four vital sectors like Food, Textiles, Pharmaceuticals and Paper. The multi-locational presence of the company has enabled it to increase its market visibility with extensive geographical reach and broader customer base. The Company has an excellent customer profile, which includes multinational companies and leading corporates in the field of Food, FMCG, Textile, Pharmaceuticals and Papers etc.

OPPORTUNITIES, THREATS/CONCERNS :

The Starch Industry appears to be in the take off stage in the country as per capita consumption of Maize Starch is much lower than the world average. Even, our neighboring country China's per capita consumption of starch is 4-5 times higher than that of our per capita consumption. So, the industry in our country has to grow at a faster pace, to at least come near the world average.

The products of the industry find wider use in Food Industry where phenomenal growth is expected due to fast changing food habits of the working class in the country. Presently, Maize Starch has a very limited use in India whereas it finds more than 1000 applications in the developing countries. Nearly one-fourth of stock keeping units in a modern grocery store contain Starch in one form or the other, ranging from Tooth Paste, Detergent, Paper, Dyes, Soaps to artificial sweeteners. Starch also finds wider application in food containers, plastic food packaging, baby food powder, medicines, vitamin tablets, textile products, candies and so on. The use of Maize Starch in the manufacture of biodegradable plastic packaging offers an excellent opportunity for the industry as Govt. moves to ban the use of plastic packaging to control environmental hazards.

The industry faces major threats/risk on the raw material front as Maize is its basic raw material, which is an



ANNEXURE 'A' TO THE DIRECTORS' REPORT

agriculture produce. The availability and price of Maize remain very volatile as its production/cultivation is subject to natural vagaries.

Corn Milling Industry is one of the largest consumers of Corn worldwide. About two-third of starch produced globally is made out of Corn. Indian Starch industry consumes about 14-15% of total Maize produced in the country. The annual Maize production, which had reached a level of 25+ Million tons, has come down drastically in the last two years owing to consecutive droughts. The crop has been adversely affected in major Maize growing states of the country like Karnataka, Maharashtra, Telangana & Andhra Pradesh. Total global yearly production of Maize is much higher at 950+ Million Tons with USA, Argentina, Brazil & Ukrain producing about 80% of the total production in the world.

Maize production, in India, continues to be in the primitive stage and has a very long way to go to come of age. Besides, low acreage, country's productivity is less than half of the global average production of Maize per hectare. Currently hybrids constitute only about 35% of the area in India against 80% in the U.S. So, spurring Maize production in the country is a technological intervention in the form of hybridization. The area under Maize hybrids needs to be expanded every year to achieve a surge in production, which has a potential to double in the next 10 years, if there is a clear focus on increasing productivity.

It is also important to ensure proper price discovery of Maize and employ better marketing practices to offer better realization for the small and marginal farmers and optimize costs to the consumers.

Other concerns / risks include competition in the market place, low demand for Company's products due to poor economic conditions and consequent margin risks.

PERFORMANCE AND FUTURE OUTLOOK :

The sales and other income of the Company has improved from ₹ 534 crores to ₹ 568 crores despite there being a demand compression for some finished goods used by the FMCG sector which was adversely affected from poor rural demand due to consecutive droughts in the Country. The Earnings before Interest, tax and Depreciation came in at ₹ 63.07 crores (₹65.55 crores) which after interest of ₹15.28 crores (₹17.77 crores) and depreciation of ₹12.11 crores (₹13.29 crores) resulted in Net profit before tax at ₹ 35.68 crores (₹ 34.49 Crores). Substantial reduction in interest cost has been achieved due to prudent fund management and lower carrying cost of raw material. Company continuous to enjoy good credit ratings from the rating agency. The availability of basic raw material being maize remains a concern throughout the year due to consecutive droughts in the major maize producing states of the country. The availability of the basic raw material at higher price did impact the operating margin of the Company.



ANNEXURE 'A' TO THE DIRECTORS' REPORT

RESEARCH & DEVELOPMENT (R&D) :

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

HUMAN RESOURCE DEVELOPMENT :

It is rightly said that 'machines are important in the production process but the man behind the machines is more important'. He transforms the lifeless factors of production into useful products. Human resource (HR) is an important asset of a business unit. Well-trained, loyal and efficient team of workers brings success and stability to any business. In Sukhjit, there are good HR practices and processes in place to ensure that the employees remain happy & motivated at all levels. Your company takes pride in the fact that we consider employees as human resources and not just resources. It is necessary to develop good and satisfactory human resource climate for growth and survival of business. The key themes of the company can only be achieved by enhancing the skilled talent pool through good HRD practices, strengthening long-term entrepreneurial environment.

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

CAUTIONARY STATEMENT :

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

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

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY :

The Company believes in adopting the 'best practices' that are followed in the area of Corporate Governance, which provide a structure that works for the benefit of everyone concerned, by ensuring that the enterprise adheres to ethical standards, various governing laws and accepted best 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, 2016 are given hereunder :

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

During the Financial Year 2015-16, six Board meetings were held on 20/05/15, 24/06/15, 29/07/15, 04/11/15, 10/02/16 and 11/03/16.



ANNEXURE 'B' TO THE DIRECTORS' REPORT

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

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies
Shri S.C. Jindal	Independent Chairman	3	–	–
Shri I.K. Sardana	Managing Director	6	3	3 (member)
Shri K.K. Sardana	Jt. Managing Director	6	2	–
Shri V.K. Sardana	Non Executive Director	4	1	–
Shri Naresh Sardana	Non Executive Director	2	–	–
Smt. Ravi Chowdhry	Women Director	3	–	–
Shri S.K. Anand	Independent Director	6	–	–
Shri V.P. Kapahi	Independent Director	6	–	–

3. COMMITTEES OF THE BOARD

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

(i) Audit Committee :

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

The composition of the Audit Committee is given below :

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

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

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



ANNEXURE 'B' TO THE DIRECTORS' REPORT

(ii) Corporate Social Responsibility (CSR) Committee :

The CSR Committee has been constituted in consonance with section 135 of The Companies Act, 2013, Schedule VII thereto and the rules made thereunder. The Composition of CSR Committee comprises of Shri K. K. Sardana as chairman, Shri S. C. Jindal and Shri V. P. Kapahi as members. The Committee has been formed to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the CSR Policy of the Company and recommending/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 Committee :

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

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

The Company has received five complaints during the year, from its shareholders, which were satisfactorily resolved.

(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, Shri V.P. Kapahi and Shri I.K. Sardana as the members. The role of the Committee covers the areas mentioned under section 178 of the Companies Act, 2013.

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

		Meetings held during the year	Meetings attended
Shri S.K. Anand	Independent Director	02	02
Shri I.K. Sardana	Managing Director	02	02
Shri S.C. Jindal	Independent Director	02	01
Shri V.P. Kapahi	Independent Director	02	02

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

Name	Salary	Commission	(Amount in ₹ Lacs)			Total
			Perquisite Value	Retirement Benefits	Sitting Fees	
Sh. I.K. Sardana	69.27	17.85	16.59	5.59	-	109.30
Sh. K.K. Sardana	67.65	17.85	11.36	5.59	-	102.32

The company has been paying commission @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 to the Non Executive Directors as per the necessary approvals / sanctions



ANNEXURE 'B' TO THE DIRECTORS' REPORT

obtained at that time and further approval of the shareholders obtained by way of a special resolution in the Annual General Meeting for continuation of the same. Non Executive Directors are also paid Sitting Fee @ ₹ 9,000/- per meeting besides out of pocket expenses / traveling expenses incurred in connection with attending the said meeting. The Company does not have any Stock Option Scheme.

Remuneration Policy :

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

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions passed
29/07/2015	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri K.K. Sardana as the Managing Director of the Co. for five years. 2. Increase/revision the Salary of Shri Puneet Sardana, V.P. (Operations) of Malda unit of the Co. 3. Increase/revision 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.
29/07/2014	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Acceptance of deposits from its members and the Public. 2. Increase/revision in the remuneration of Shri Bhavdeep Sardana, Sr. V.P. & CEO. 3. Increase/revision in the remuneration of Shri Dhiraj Sardana, Sr. V.P. & CEO.
06/08/2013	Regd. Office, Phagwara	10.00 A.M.	<ol style="list-style-type: none"> 1. Reappointment of Shri I. K. Sardana as the Managing Director of the Co. for five years.

There is no resolution, which is statutorily required to be passed through postal ballot at the Annual General Meeting to be held on 27th July, 2016.



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 on arm's length price, in terms of AS-18 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 the high standards in good and ethical Corporate Governance practices. Pursuant to Section 177 of the Companies Act, 2013 & rules made there under and Clause 49 of the Listing Agreement with the Stock Exchange, the Company has established a vigil mechanism for Directors and employees to report genuine concerns and also its commitment to open communication & the best practices of Corporate Governance, the Company has formulated its Whistle blower Policy. This policy intended 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 clause 49 of the listing agreement.

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 : 27th July, 2016 at 10.00 A.M. at the
Date, Time & Place Registered Office of the Company at Phagwara.
- (b) Financial Year : 2015–2016
- (c) Date of Book Closure : 22nd July, 2016 to 27th July, 2016.
- (d) Dividend Payment : Within Statutory period
- (e) Listing on Stock Exchange : Bombay Stock Exchange
- (f) Stock Code : 524542
- (g) CIN : L15321 PB1944 PLC 001925
- (h) Registrars & Share Transfer Agents : The Share Transfers are done by 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
dematerialised form on NSDL & CDSL.
66,91,475 shares i.e. 90.67% of equity capital have
been dematerialized as on 31.03.16 out of which
promoter's shares are 44,77,058 (100% of the
Promoters share holding is held in Demat form)
and public shares are 22,14,417 (76.29% of the
total Public Share Holding is held in Demat form).
- (j) Unclaimed Shares Demat Suspense Account : In terms of Clause 5A of the Listing Agreement, the
Company reports as under :



ANNEXURE 'B' TO THE DIRECTORS' REPORT

	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	-	-
Number of shareholders to whom shares were transferred from the suspense account during the year	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2016	503	64,197

The voting rights on the shares outstanding in the suspense account as on 31st March, 2016 shall remain frozen till the rightful owners of such shares claim the shares.

- (k) 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

- (l) Distribution of Shareholding as on 31.3.2016 :

Category	No. of Shares	Percentage
1. Promoters (including 2,86,706 shares of NRI's)	44,77,058	60.67%
2. Banks, Financial Institutions, Govt. institutions etc.	21,314	0.29%
3. Corporate Bodies	1,83,241	2.48%
4. NRIs/FFIs/OCBs	16,411	0.23%
5. General Public	26,81,796	36.33%
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>



ANNEXURE 'B' TO THE DIRECTORS' REPORT

(m) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2015-2016 & performance in comparison to BSE Index :

Month	BSE INDEX		MARKET PRICE (₹)	
	High	Low	High	Low
April, 2015	29094.61	26897.54	278.40	240.70
May, 2015	28071.16	26423.99	271.80	235.10
June, 2015	27968.75	26307.07	263.00	222.00
July, 2015	28578.33	27416.39	267.80	233.00
Aug., 2015	28417.59	25298.42	264.00	235.00
Sept., 2015	26471.82	24833.54	244.30	217.50
Oct., 2015	27618.14	26168.71	244.00	220.20
Nov., 2015	26824.30	25451.42	240.50	220.10
Dec., 2015	26256.42	24867.73	252.00	232.00
Jan., 2016	26197.27	23839.76	280.00	225.20
Feb., 2016	25002.32	22494.61	249.70	219.00
March, 2016	25479.62	23133.18	247.00	220.00

8. LOCATION OF PLANTS

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

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

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

(iv) The Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. (01975) 257311, 257314
Fax No. (01975) 257312
E-mail : sukhjitagro@gmail.com



ANNEXURE 'C' TO THE DIRECTORS' REPORT

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

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2015-16 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 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 2015-16 (Rs. In Lacs)	% increase in Remuneration in the Financial Year 2015-16	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)	109.30	11.03
2.	K.K. Sardana (Jt. Managing Director)	102.32	11.96
3.	S.C. Jindal (Chairman)	6.22	–
4.	V.K. Sardana (Non-Executive Director)	6.40	–
5.	S.K. Anand (Non-Executive Director)	6.49	–
6.	Naresh Sardana (Non-Executive Director)	6.13	–
7.	V.P. Kapahi (Non-Executive Director)	6.58	–
8.	Ravi Chowdhry (Non-Executive Women Director)	6.22	*
9.	M.G. Sharma (Sr. V.P. & C.F.O.)	25.78	9.98
10.	Aman Setia (V.P. Fin. & Company Secretary)	15.57	16.80

* Smt. Ravi Chowdhry has been appointed as director in February, 2015.

— 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 and Executive directors have been paid commission each @ 0.50% of the Net profits besides salary and other perks.

(iii) The percentage increase in the median remuneration of employees had been 14.07% during the financial year.

(iv) There were 1118 permanent employees on the rolls of Company as on March 31, 2016.



ANNEXURE 'C' TO THE DIRECTORS' REPORT

- (v) The average increase in remuneration of employees/ workers had been well in line with the Company' s performance.
- (vi) Total remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, C.F.O. & Company Secretary) has increased by 11.64% i.e. from ₹ 226.60 lacs to ₹ 252.98 lacs in the financial year 2015-16 as per general increments given to the other executives in overall.
- (vii) (a) The market capitalization of the company as on March 31, 2016 was ₹ 174.31 crores as compared to ₹187.74 crores at the end of the preceding financial year.
(b) Price Earning Ratio of the company as on 31/03/2016 was 7.56 times as compared to 8.09 times as on 31/03/2015.
(c) Percentage increase in the market price of shares in comparison with the last public offer price (₹ 10 in year 1983-84) is 14072, 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 the last financial year i.e. 2014-15 was 12.74 % whereas the increase in the managerial remuneration was around 17%. The main increase in the percentage of managerial remuneration had been due to variable component of commission relatable to the profit of the company, which had increased by about 45%.
- (ix) Remuneration of the key Management Personnel (Mg. Director, Jt. Mg. Director, C.F.O. & Company Secretary) has increased by 11.64% 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 / operational performance 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

For Sukhjit, the Corporate Social responsibility (CSR) is a planned set of activities aiming to actively contribute to the social and economic development of the communities in which it operates. It endeavors to make a positive contribution to the communities by supporting a wide range of socio-economic, educational and health initiatives. The Company runs all its programs / activities on a strong foundation of ethical principles, good governance and sound management. It is the company's intent to make a positive difference to the society by promoting education, providing infrastructural support, environment sustainability, rural development, eradicating hunger, preventive health care programmes, caring old age homes, women empowerment and initiatives for physically & mentally challenged people etc.

The Company undertook various CSR activities in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013, which 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 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 includes :

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



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Other activities :

The Company has diversified its CSR activities towards ensuring environmental sustainability & installed Solar Power Plants, which will generate and provide un-interrupted supply of electricity to the educational institutions in the area and reduce the carbon foot print.

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

The company will serve its communities by :

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

CSR Committee :

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 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 the amount of expenditure to be incurred on CSR activities.

Prescribed CSR Expenditure:

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

Financial Year	Net Profit before taxes (in ₹ Lacs) (Computed u/s 198 of the Act)
2014-15	3484.55
2013-14	2225.51
2012-13	<u>2805.22</u>
Average net Profits	2838.43
2% of above	56.77



ANNEXURE 'D' TO THE DIRECTORS' REPORT

Details of CSR Spent :

Prescribed CSR expenditure = 56.77 lacs

Actual CSR expenditure = 61.10 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.)	15.00	16.80	16.80	Direct & through implementing agency
2.	- Education - Employment to differently abled	(Cl. ii of Sch. VII) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Phagwara (Pb.), Nizamabad (Telangana)	15.00	13.75	13.75	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.),	8.00	7.72	7.72	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 - Animal Welfare	(Cl. iv of Sch. VII) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air and water.	Phagwara (Pb.)	20.00	21.47	21.47	Direct & through implementing agency
5.	- Infrastructure Development	(Cl. x of Sch. VII) Rural development projects	Distt. Nizamabad (Telangana)	2.00	1.36	1.36	Direct
TOTAL				60.00	61.10	61.10	

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

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

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

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



ANNEXURE 'E' TO THE DIRECTORS' REPORT

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

as on financial year ended on 31.03.2016

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	99.65	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 (01.04.2015)				No. of Shares held at the end of the year (31.03.2016)				% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian	41,56,782	-	41,56,782	56.32	41,88,265	-	41,88,265	56.75	31,483	0.43
a) Individual/HUF										
b) Central Govt. or State Govt.										
c) Bodies Corporates	2,087	-	2,087	0.03	2,087	-	2,087	0.03	-	-
d) Bank/FI										
e) Any other										
SUB TOTAL:(A) (1)	41,58,869	-	41,58,869	56.27	41,90,352	-	41,90,352	56.78	31,483	0.43
(2) Foreign										
a) NRI- Individuals	2,90,706	-	2,90,706	3.94	2,86,706	-	2,86,706	3.88	(4,000)	(0.06)
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other										
SUB TOTAL (A) (2)	2,90,706	-	2,90,706	3.94	2,86,706	-	2,86,706	3.88	(4,000)	(0.06)
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	44,49,575	-	44,49,575	60.21	44,77,058	-	44,77,058	60.67	27,483	0.38
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds										
b) Banks/FI	28,314	-	28,314	0.38	21,314	-	21,314	0.29	(7,000)	(0.09)
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):	28,314	-	28,314	0.38	21,314	-	21,314	0.29	(7,000)	(0.09)
(2) Non Institutions										
a) Bodies corporates										
i) Indian	1,90,310	632	1,90,942	2.59	1,82,609	632	1,83,241	2.48	(7,701)	(0.11)
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	11,33,106	6,92,259	18,25,365	24.73	11,43,017	5,38,756	17,11,773	23.20	(113592)	(1.53)
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	6,85,017	1,20,858	8,05,875	10.92	7,85,838	1,18,397	9,04,235	12.25	98,360	1.33
c) Others (specify)	79,045	704	79,749	1.09	81,639	560	82,199	1.11	2,450	0.02
SUB TOTAL (B)(2):	20,87,478	8,14,453	29,01,931	39.33	21,93,103	6,88,345	28,81,448	39.04	(20,483)	(0.29)
Total Public Shareholding (B)= (B)(1)+(B)(2)	21,15,792	8,14,453	29,30,245	39.71	22,14,417	6,88,345	29,02,762	39.33	(27483)	(0.38)
C. Shares held by Custodian for GDRs & ADRs										
Grand Total (A+B+C)	65,65,367	8,14,453	73,79,820	100	66,91,475	6,88,345	73,79,820	100	-	0



ANNEXURE 'E' TO THE DIRECTORS' REPORT

(V) SHARE HOLDING OF PROMOTERS

S.No.	Shareholders Name	Shareholding at the beginning of the year (01.04.2015)			Shareholding at the end of the year (31.03.2016)			% 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	1532	0.02	0	0.00
3	NAVIN SARDANA (HUF)	1908	0.03	0	1908	0.03	0	0.00
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	1954	0.03	0	2606	0.04	0	0.01
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	AMITA MENON	7000	0.09	0	7000	0.09	0	0.00
13	NANDINI OBEROI	7366	0.10	0	7366	0.10	0	0.00
14	SONIA MONGIA	10416	0.14	0	10416	0.14	0	0.00
15	KAMALA ANAND SARDANA	10788	0.15	0	10788	0.15	0	0.00
16	NARENDRA RAJINDER KHANNA	11300	0.15	0	11300	0.15	0	0.00
17	RADHIKA MONGIA	11400	0.15	0	11400	0.15	0	0.00
18	PADMINI MONGIA	12976	0.18	0	12976	0.18	0	0.00
19	ANAND KUMAR SARDANA	26620	0.36	0	26620	0.36	0	0.00
20	VERINDER KUMAR SARDANA	32092	0.43	0	32092	0.43	0	0.00
21	SURENDRA NATH GADI	33000	0.45	0	33000	0.45	0	0.00
22	MEENAXI GADI	35000	0.47	0	35000	0.47	0	0.00
23	UMA LOHTIA	42820	0.58	0	42820	0.58	0	0.00
24	PRABHA GROVER	42832	0.58	0	42832	0.58	0	0.00



ANNEXURE 'E' TO THE DIRECTORS' REPORT

25	ASHOK SARDANA	42900	0.58	0	42900	0.58	0	0.00
26	SHALINI CHABLANI	43757	0.59	0	43757	0.59	0	0.00
27	NALINI KALRA	44211	0.60	0	44211	0.60	0	0.00
28	USHA MONGIA	48840	0.66	0	48840	0.66	0	0.00
29	NAVIN SARDANA	76278	1.03	0	76278	1.03	0	0.00
30	NANDINI KAUSHIK	114286	1.55	0	114286	1.55	0	0.00
31	INDER KRISHAN SARDANA (HUF)	127930	1.73	0	127930	1.73	0	0.00
32	SUMAN SARDANA	135794	1.84	0	135794	1.84	0	0.00
33	KULDIP KRISHAN SARDANA (HUF)	142383	1.93	0	142383	1.93	0	0.00
34	MANJOO SARDANA	157381	2.13	0	157381	2.13	0	0.00
35	RANI SARDANA	174692	2.37	0	174692	2.37	0	0.00
36	DHIRAJ SARDANA	406843	5.51	0	410693	5.57	0	0.05
37	PANKAJ SARDANA	402958	5.46	0	412414	5.59	0	0.13
38	BHAVDEEP SARDANA	412234	5.59	0	416084	5.64	0	0.05
39	PUNEET SARDANA	403158	5.46	0	416833	5.65	0	0.19
40	INDER KRISHAN SARDANA	534896	7.25	0	534896	7.25	0	0.00
41	KULDIP KRISHAN SARDANA	567309	7.69	0	567309	7.69	0	0.00
		4156782	56.33		4188265	56.75	0	0.43
BODIES CORPORATES								
1	SUKHMANI VENTURES PRIVATE LIMITED	2087	0.03	0	2087	0.03	0	0.00
		2087	0.03		2087	0.03	0	0.00
INDIVIDUALS/NON-RESIDENTS/FOREIGN								
1	NARESH SARDANA	5000	0.07	0	1000	0.01	0	-0.06
2	ROHINI SARDANA	33548	0.45	0	33548	0.45	0	0.00
3	RAVI CHOWDHRY	252158	3.42	0	252158	3.42	0	0.00
		290706	3.94	0	286706	3.88	0	-0.06
	Total	4449575	60.30		4477058	60.67	0	0.37



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 (01.04.2015) /End of year (31.03.2016)		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	Dhiraj Sardana	406843	5.51	01.04.2015				
				30.09.2015	3850	Transfer	410693	5.57
		410693	5.57	31.03.2016			410693	5.57
2	Bhavdeep Sardana	412234	5.59	01.04.2015				
				30.09.2015	3850	Transfer	416084	5.64
		416084	5.64	31.03.2016			416084	5.64
3	Puneet Sardana	403158	5.46	01.04.2015				
				08.05.2015	771	Transfer	403929	5.47
				15.05.2015	738	Transfer	404667	5.48
				22.05.2015	4600	Transfer	409267	5.55
				19.06.2015	1500	Transfer	410767	5.57
				26.06.2015	966	Transfer	411733	5.58
				24.07.2015	1200	Transfer	412933	5.60
				28.08.2015	900	Transfer	413833	5.61
				23.10.2015	1000	Transfer	414833	5.62
				06.11.2015	2000	Transfer	416833	5.65
		416833	5.65	31.03.2016			416833	5.65
4	Pankaj Sardana	402958	5.46	01.04.2015				
				01.05.2015	800	Transfer	403758	5.47
				15.05.2015	1000	Transfer	404758	5.48
				12.06.2015	466	Transfer	405224	5.49
				07.08.2015	908	Transfer	406132	5.50
				14.08.2015	1000	Transfer	407132	5.52
				21.08.2015	332	Transfer	407464	5.52
				28.08.2015	1250	Transfer	408714	5.54
				04.09.2015	400	Transfer	409114	5.54
				11.09.2015	200	Transfer	409314	5.55
				18.09.2015	100	Transfer	409414	5.55
				23.10.2015	1000	Transfer	410414	5.56
				06.11.2015	2000	Transfer	412414	5.59
		412414	5.59	31.03.2016			412414	5.59
5	Nidhi Sardana	1954	0.03	01.04.2015				
				28.08.2015	402	Transfer	2356	0.03
				04.09.2015	100	Transfer	2456	0.03
				11.09.2015	100	Transfer	2556	0.03
				18.09.2015	50	Transfer	2606	0.04
		2606	0.04	31.03.2016			2606	0.04
6	Narendra Rajinder Khanna	11300	0.15	01.04.2015				
				04.09.2015	4000	Transfer	15300	
				30.10.2015	-4000	Transfer	11300	0.15
		11300	0.15	31.03.2016			11300	0.15
7	Naresh Sardana	5000	0.07	01.04.2015				
				04.09.2015	-4000	Transfer	1000	0.01
		1000	0.01	31.03.2016			1000	0.01

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 (01.04.2015) /End of year (31.03.2016)		Date	Increase/Decrease	Reason	Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company
1	Sudhir Sindhwani	112520	1.52	01.04.2015				
					NIL	No Change		
		112520	1.52	31.03.2016			112520	1.52
2	Satish Kumar	65673	0.89	01.04.2015				
				19.06.2015	5522	Transfer	71195	0.96
				10.07.2015	-1462	Transfer	69733	0.94
				21.08.2015	-200	Transfer	69533	0.94
				11.09.2015	467	Transfer	70000	0.95
				31.03.2016	5911	Transfer	75911	1.03
		75911	1.03	31.03.2016			75911	1.03
3	Archana Jain	41653	0.56	01.04.2015				
				24.04.2015	2914	Transfer	44567	0.60
				01.05.2015	3286	Transfer	47853	0.65
				14.08.2015	12000	Transfer	59853	0.81
		59853	0.81	31.03.2016			59853	0.81
4	Varun Bansal	0	-	01.04.2015				
				25.12.2015	17064	Transfer	17064	0.23
				19.02.2016	32703	Transfer	49767	0.67
		49767	0.67	31.03.2016			49767	0.67
5	Ajay Chandra Agarwal	0	-	01.04.2015				
				18.09.2015	5460	Transfer	5460	0.07
				30.09.2015	38485	Transfer	43945	0.60
		43945	0.60	31.03.2016			43945	0.60
6	Manoj Kumar Agarwal	0	-	01.04.2015				
				21.08.2015	43434	Transfer	43434	0.59
		43434	0.59	31.03.2016			43434	0.59



ANNEXURE 'E' TO THE DIRECTORS' REPORT

S.No.	Promoters	Shareholding at the beginning of the year (01.04.2015) /End of year (31.03.2016)		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
7	Seetha Kumari	21012	0.28	01.04.2015				
				15.05.2015	763	Transfer	21775	0.30
				22.05.2015	4596	Transfer	26371	0.36
				09.10.2015	559	Transfer	26930	0.36
				16.10.2015	2533	Transfer	29463	0.40
				23.10.2015	301	Transfer	29764	0.40
				20.11.2015	400	Transfer	30164	0.41
				04.03.2016	3011	Transfer	33175	0.45
		33175	0.45	31.03.2016			33175	0.45
8	Aashray Agarwal	26284	0.36	01.04.2015				
				17.07.2015	-20460	Transfer	5824	0.08
				31.03.2016	30109	Transfer	35933	0.49
		35933	0.49	31.03.2016			35933	0.49
9	Vikas Gupta	28820	0.39	01.04.2015				
					NIL	No Change		
		28820	0.39	31.03.2016			28820	0.39
10	Saroj Manaktala	26806	0.36	01.04.2015				
					NIL	No Change		
		26806	0.36	31.03.2016			26806	0.36

(VIII) SHAREHOLDING OF DIRECTORS & KMP

S.No.	For Each of the Directors & KMP	Shareholding at the beginning of the year (01.04.2015) /End of year (31.03.2016)		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	534896	7.25	01.04.2015				
	(Managing Director)				NIL	No Change		
		534896	7.25	31.03.2016			534896	7.25



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 (01.04.2015) /End of year (31.03.2016)		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)	567309	7.69	01.04.2015				
					NIL	No Change		
		567309	7.69	31.03.2016			567309	7.69
3	Ravi Chowdhry (Women Director)	252158	3.42	01.04.2015				
					NIL	No Change		
		252158	3.42	31.03.2016			252158	3.42
4	V. K. Sardana (Director)	32092	0.43	01.04.2015				
					NIL	No Change		
		32092	0.43	31.03.2016			32092	0.43
5	S. C. Jindal (Director)	35220	0.48	01.04.2015				
					NIL	No Change		
		35220	0.48	31.03.2016			35220	0.48
6	Naresh Sardana (Director)	5000	0.07	01.04.2015				
				04.09.2015	-4000	Transfer	1000	0.01
		1000	0.01	31.03.2016			1000	0.01
7	V. P. Kapahi (Director)	1000	0.01	01.04.2015				
					NIL	No Change		
		1000	0.01	31.03.2016			1000	0.01
8	S. K. Anand (Director)	1002	0.01	01.04.2015				
					NIL	No Change		
		1002	0.01	31.03.2016			1002	0.01
9	M G Sharma (Sr. Vice President & CFO)	60	0.00	01.04.2015				
					NIL	No Change		
		60	0.00	31.03.2016			60	0.00
10	Aman Setia (Vice President Finance & Company Secretary)	-	-	01.04.2015				
		0	-	31.03.2016	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 Indebtedness	Total
Indebtness at the beginning of the financial year				
i) Principal Amount	10,234.53	1,833.33	3,336.55	15,404.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	229.40	229.40
Total (i+ii+iii)	10,234.53	1,833.33	3,565.95	15,633.81
Change in Indebtedness during the financial year				
Additions	-	-	742.52	
Reduction	3,469.46	833.33	-	
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	6,765.07	1000.00	4,060.06	11,825.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	248.41	248.41
Total (i+ii+iii)	6,765.07	1000.00	4,308.47	12,073.54

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
1	Gross Salary	Sh. I.K. Sardana	Sh. K.K. Sardana	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	69.27	67.65	136.92
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	16.59	11.36	27.95
2	Commission (as % of profit)	17.85	17.85	35.70
3	Others (Retirement Benefits)	5.59	5.46	11.05
	Total (A)	109.30	102.32	211.62
	Ceiling as per the Act			357.04



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	0.27	0.54	0.63	1.44
	(b) Commission	5.95	5.95	5.95	17.85
	Total (1)	6.22	6.49	6.58	19.29
2	Other Non Executive Directors	Sh. V.K. Sardana	Smt. Ravi Chowdhry	Sh. Naresh Sardana	
	(a) Fee for attending board / committee meetings	0.45	0.27	0.18	0.90
	(b) Commission (as % of profit)	5.95	5.95	5.95	17.85
	Total (2)	6.40	6.22	6.13	18.75
	Total (B)=(1+2)	12.62	12.71	12.71	38.04
	Total Managerial Remuneration excl. Sitting fees				35.70
	Overall Cieling as per the Act.				35.70

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.	23.22	13.70	36.92
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.81	0.00	0.81
2	Others (Retirement Benefits)	1.75	1.87	3.62
	Total	25.78	15.57	41.35

XI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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



ANNEXURE 'F' 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 2015-16 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 16, 2016



ANNEXURE 'F' TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

To
The Members
The Sukhjit Starch & Chemicals Limited
Phagwara.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 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 & Chemicals Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 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, 2016 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,



ANNEXURE 'F' TO THE DIRECTORS' REPORT

- Factories Act, 1948,
- 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 16, 2016



DECLARATION BY THE MANAGING DIRECTOR

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

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

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

I, I.K. Sardana, Managing Director of The Sukhjit Starch & Chemicals Ltd. declare that to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2016.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

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

Place : Phagwara
Dated : 25th May, 2016

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

CERTIFICATE

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by The Sukhjit Starch & Chemicals Limited for the year ended on 31st March, 2016 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year ended 31st March, 2016, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Investor Services Committee.

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

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

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

Place : Jalandhar.
Dated : 25th May, 2016



MANAGING DIRECTOR/CFO CERTIFICATE UNDER CLAUSE 49 (IX)

To,

The Board of Directors

The Sukhjit Starch & Chemicals Limited

1. We have reviewed financial statements and the cash flow statement of The Sukhjit Starch & Chemicals Limited for the year ended 31st March, 2016 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 : 25th May, 2016



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 Ltd. as at 31st March, 2016, which comprises the Balance Sheet, the Statement of Profit and Loss Account, the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS :

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

AUDITORS' RESPONSIBILITY :

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 2016.
- (ii) In case of profit and loss Accounts, of the profit of the company for the year ended on that date.
- (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

1. As required by the companies (Auditor's Report) order, 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 25th May, 2016



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 2016, 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 2016 for a period of more than six months from the date they became payable.

- (b) The Company has a disputed liabilities of ₹ 27.18 crores (not provided in the accounts), which mainly include central excise liability of ₹ 24.94 crores against sale of Maize Starch since 01.04.1997. The company has explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account. The other item concerns a demand of ₹ 1.19 Crores on exempted goods and the case is pending before The Commissioner, Central Excise and ₹ 1.05 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.
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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 25th May, 2016



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, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 25th May, 2016



BALANCE SHEET AS ON 31ST MARCH, 2016

	NOTE	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	<u>21,233.49</u>	<u>19,322.53</u>
		21,971.47	20,060.51
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	5,584.72	6,283.89
(b) Deferred Tax Liability (Net)	4	<u>2,300.36</u>	<u>1,957.36</u>
		7,885.08	8,241.25
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	5	7,115.08	8,880.65
(b) Trade Payables	6	3,289.18	2,405.37
(c) Other Current Liabilities	7	710.68	1,764.31
(d) Short Term Provisions	8	<u>-</u>	<u>442.77</u>
		11,114.94	13,493.10
	TOTAL	<u>40,971.49</u>	<u>41,794.86</u>
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	9		
(i) Tangible		22,131.00	21,760.12
(ii) Intangible		9.08	6.45
(iii) Capital work in progress	10	<u>937.67</u>	<u>524.06</u>
		<u>23,077.75</u>	<u>22,290.63</u>
(b) Non Current Investments	11	676.19	576.19
(c) Long Term Loans & Advances	12	386.70	136.70
(d) Other Non Current Assets	13	<u>215.23</u>	<u>196.93</u>
		24,355.87	23,200.45
2. CURRENT ASSETS			
(a) Current Investments	14	1,828.08	828.08
(b) Inventories	15	5,664.71	7,921.71
(c) Trade Receivables	16	5,735.25	5,527.71
(d) Cash & Cash Equivalents	17	1,757.16	2,063.20
(e) Short Term Loans & Advances	18	1,376.37	2,034.62
(f) Other Current Assets	19	<u>254.05</u>	<u>219.09</u>
		16,615.62	18,594.41
	TOTAL	<u>40,971.49</u>	<u>41,794.86</u>

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS [K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAHI



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)
1. Revenue From Operations	20	56,587.67	53,244.69
2. Other Income	21	255.51	206.66
3. Total Revenue		<u>56,843.18</u>	<u>53,451.35</u>
4. Expenses :			
Cost of Materials Consumed	22	38,415.31	34,267.12
Change in Inventories of Finished Goods & Work in Progress	23	(506.91)	116.13
Employee Benefits Expense	24	3,375.15	2,948.20
Financial Costs	25	1,527.85	1,777.40
Depreciation and Amortisation Exp.	9	1,210.84	1,329.13
Other Expenses	26	9,253.03	9,564.90
Total Expenses		<u>53,275.27</u>	<u>50,002.88</u>
5. Profit Before Tax (3-4)		3,567.91	3,448.47
6. Tax Expense :			
- Current Tax	915.00		670.00
- Deferred Tax	343.00		450.00
- Taxes Relating to Previous Yrs.	4.84		8.01
		1,262.84	1,128.01
7. Profit for the year		2,305.07	2,320.46
8. Earning per equity share :			
(a) Basic		31.23	31.44
(b) Diluted		31.23	31.44
(c) Face Value Per Share (₹)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS

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



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	3,567.91	3,448.47
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,210.84	1,329.13
Provision for Doubtful Debts	19.30	14.73
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(232.68)	(183.47)
Interest paid	1,499.55	1,735.22
(Profit) Loss on sale of investments/assets	0.12	33.86
FLOWS FROM OPERATIONS BEFORE WORKING CAPITAL	6,065.05	6377.93
CHANGES IN WORKING CAPITAL		
Trade and other receivables	132.64	(752.97)
Inventories	2,256.99	1,323.73
Trade Payables	883.82	(28.62)
Other Liabilities	46.71	22.67
NET FLOWS FROM OPERATING ACTIVITIES	9,385.23	6,942.74
Net Direct Taxes Paid	(656.04)	(608.05)
NET FLOWS FROM OPERATING ACTIVITIES	8729.20	6,334.69
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,006.83)	(2,868.43)
Sale of Fixed Assets	8.75	13.45
Other Investments	(1,318.30)	706.48
Interest received	232.68	183.47
NET FLOWS FROM INVESTING ACTIVITIES	(3083.70)	(1,965.03)
FLOWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	(1,765.58)	(40.54)
Term Loans raised	-	-
Repayment of Term Loan	(1,337.21)	(1,500.00)
Other Loans raised	(499.17)	390.22
Dividends paid	(850.01)	(304.95)
Interest paid	(1,499.55)	(1,735.22)
NET FLOWS FROM FINANCING ACTIVITIES	(5,951.52)	(3,190.49)
Net Cash Flows during the year	(306.04)	1,179.19
Cash & cash equivalents at the beginning of the year	2,063.20	884.01
Cash & cash equivalents at the end of the year	1,757.18	2,063.20

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
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As per our separate report of even date
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DIRECTORS

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



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2016		As on 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,34,896	7.25	5,34,896	7.25
Sh. Kuldeep Krishan Sardana	5,67,309	7.69	5,67,309	7.69
Sh. Dhiraj Sardana	4,10,693	5.57	4,06,843	5.51
Sh. Bhavdeep Sardana	4,16,084	5.64	4,12,234	5.59
Sh. Puneet Sardana	4,16,833	5.65	4,03,158	5.46
Sh. Pankaj Sardana	4,12,414	5.59	4,02,958	5.46

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy :	467.67	417.67
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SECURITIES PREMIUM RESERVE

87.14	87.14
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GENERAL RESERVE

As per Last Balance Sheet	17,897.19	15,961.18
Less Transfer from Fixed Assets	-	(63.99)
Add : Transferred from Profit & Loss Account	<u>2,000.00</u>	<u>2,000.00</u>
	19,897.19	17,897.19

PROFIT & LOSS ACCOUNT

As per last Balance Sheet	920.53	1,042.84
Add : Profit for the year	<u>2,305.07</u>	<u>2,320.46</u>
	3,225.60	3,363.30
Less : Appropriations :		
(a) Interim Dividend	368.99	-
(b) Final Dividend (Proposed)	-	368.99
(c) Corporate tax on dividend	75.12	73.78
(d) Transferred to General Reserve	<u>2,000.00</u>	<u>2,000.00</u>
Surplus Carried Forward	<u><u>781.49</u></u>	<u><u>920.53</u></u>
	<u><u>21,233.49</u></u>	<u><u>19,322.53</u></u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED :		
Term Loan(s) from Bank(s)		
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)	450.00	650.00
UNSECURED :		
Fixed Deposits (includes ₹ 5,14,03,000/- from Directors, previous year ₹ 3,45,42,000/-) (Maturity period ranging from 1 to 3 years)	4,060.06	4,536.55
Security Deposits	123.63	125.85
Other Long Term Liabilities	951.03	971.49
	<u>5,584.72</u>	<u>6,283.89</u>
4. DEFERRED TAX LIABILITY (NET)		
As per last Balance Sheet	1,957.36	1,521.78
Less : Transfer from Fixed Assets	-	(14.42)
Add : Provision for the year on account of timing difference arising on depreciation as per the Income Tax Act & the Companies Act and on account of other provisions	343.00	450.00
	<u>2,300.36</u>	<u>1,957.36</u>
5. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit limits from Bank(s)		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	5,110.81	6,872.63
(ii) Secured against Book Debts	1,004.27	1,374.69
UNSECURED :		
Short Term Borrowings from Bank(s)	1,000.00	633.33
	<u>7,115.08</u>	<u>8,880.65</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
6. TRADE PAYABLES		
Sundry creditors for goods supplied		
(i) Micro, Small & Medium Enterprises (*)	16.27	20.73
(ii) Others	1,858.31	1,142.83
Sundry Creditors for Expenses	894.58	869.35
Other Creditors (**)	<u>520.02</u>	<u>372.46</u>
	<u><u>3,289.18</u></u>	<u><u>2,405.37</u></u>
<p>(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. year NIL)</p> <p>(**) Include ₹ 278.48 lacs (Prev. Year ₹ 246.52 lacs) as advances from Sundry Customers for supply of Goods.</p>		
7. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	200.00	1,337.21
Unclaimed Dividends	106.99	70.12
Taxes payable	155.27	127.58
Interest accrued but not due on Fixed Deposits	<u>248.42</u>	<u>229.40</u>
	<u><u>710.68</u></u>	<u><u>1,764.31</u></u>
8. SHORT TERM PROVISIONS		
Proposed Dividend	-	368.99
Corporate Tax on Dividend	-	73.78
	<u>-</u>	<u>442.77</u>
10. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	650.16	278.57
Machinery under Errection	286.73	241.82
Furniture / Fixture under Construction	<u>0.78</u>	<u>3.67</u>
	<u><u>937.67</u></u>	<u><u>524.06</u></u>
11. NON CURRENT INVESTMENTS		
Membership (Investment) – The Country Club (At Cost)	0.65	0.65
UNQUOTED FULLY PAID (AT COST)		
SUBSIDIARIES :		
(i) The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value ₹ 10/- each	20.90	20.90
(ii) Sukhjit Mega Food Park & Infra Ltd. 1000000 Shares (Prev. Year Nil shares) of face value ₹ 10/- each	100.00	-
(iii) Scott Industries Limited 4400000 shares (Prev. Year 4400000 shares) of face value ₹ 10/- each	440.00	440.00
	<u>560.90</u>	<u>460.90</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
INVESTMENT IN GOVT. SECURITIES - UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF SHARES UNQUOTED (AT COST)		
Hindusthan Engineering & Industries Ltd. 72610 Shares (Prev. Year 72610 shares) of Face value Rs. 10/- per unit	14.56	14.56
INVESTMENT IN DEBENTURES / UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
(i) Tata Capital Ltd. 20 Non-Convertible Secured Debentures (Prev. Year 20 deb.) of Face Value of ₹ 500000/- per debenture	100.00	100.00
	<u>676.19</u>	<u>576.19</u>
Aggregate Amount of Unquoted Investments - ₹ 576.19 lacs (P.Y. ₹ 476.19 lacs) Aggregate Amount of Quoted Investments - ₹ 100 lacs (P.Y. ₹ 100 lacs) Market Value of Quoted Investments - ₹ 102.70 lacs (P.Y. ₹ 101 lacs)		
12. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Advances against Purchase of Property	386.70	136.70
	<u>386.70</u>	<u>136.70</u>
13. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security/Other Deposits	215.23	196.93
	<u>215.23</u>	<u>196.93</u>
14. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES UNQUOTED (AT COST) :		
(i) HDFC Short Term Opportunity Fund 967535.944 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	150.00	-
(ii) Reliance Short Term Fund 1494781.57 units (Prev. Year 403997.964 units) of Face value of ₹ 10/- per unit	400.00	100.00



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
(iii) UTI Income Opportunity Fund 781567.512 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(iv) Reliance Regular Saving Fund 1071704.145 units (Prev. Year 554502.002 units) of Face value of ₹ 10/- per unit	200.00	100.00
(v) JP Morgan India Government Securities Fund 881710.855 units (Prev. Year 881710.855 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vi) UTI Short Term Income Fund 627273.868 units (Prev. Year 627273.868 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vii) HDFC Short Term Plan Fund 544749.343 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	150.00	-
(viii) ICI Prudential Corporate Bond Fund 455176.495 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(ix) SBI Corporate Bond Fund 444187.803 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(x) UTI Floating Rate Fund 4632.076 units (Prev. Year 4632.076 units) of Face value of ₹ 10/- per unit	<u>100.00</u>	<u>100.00</u>
	1,500.00	500.00
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES		
QUOTED (AT COST) :		
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond	24.72	24.72
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture	<u>303.36</u>	<u>303.36</u>
	328.08	328.08
	<u>1,828.08</u>	<u>828.08</u>

Aggregate Amount of Unquoted Investments - ₹ 1,500 lacs (P.Y. ₹ 500 lacs)

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

Market Value of Quoted Investments - ₹ 342.54 lacs (P.Y. ₹ 344.70 lacs)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
15. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	1,820.13	4,315.45
Stock in Process (at cost or net realisable value whichever is lower)	750.99	621.19
Finished Goods (at cost or net realisable value whichever is lower and By Products at net realisable value)	1,624.97	1,247.86
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,453.26	1,719.90
Loose Tools (at cost or net realisable value whichever is lower)	15.36	17.31
	<u>5,664.71</u>	<u>7,921.71</u>
16. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	128.29	147.74
Considered Doubtful	96.48	73.63
	<u>224.77</u>	<u>221.37</u>
Less : Provision for Doubtful debts	55.40	36.11
	<u>169.37</u>	<u>185.26</u>
Others Considered Good	5,565.88	5,342.45
	<u>5,735.25</u>	<u>5,527.71</u>
17. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	24.75	30.80
Current Accounts (*)	184.68	383.48
Fixed Deposit Accounts (**)	1547.73	1,648.92
	<u>1,732.41</u>	<u>2,032.40</u>
	<u>1,757.16</u>	<u>2,063.20</u>
<p>(*) Include Balances of ₹ 106.98 lacs (P.Y. ₹ 62.58 lacs) in the Unclaimed/ Unpaid Dividend Accounts. (**) (i) Include deposits of ₹ 43.35 lacs (P.Y. ₹ 42.30 lacs) held as margin money / security against LCs / Bank gaurantees (ii) ₹ 17.13 lacs (P.Y. ₹ 40.83 lacs) with the maturity of more than one year.</p>		
18. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	208.94	471.84
Advances against Capital Goods	104.66	210.03
Advances to Subsidiaries	283.34	293.83
Other Advances	95.56	111.62
Income Tax in advance(**)	2,488.87	2,177.30
Less : Provision for Tax	<u>(1,805.00)</u>	<u>(1,230.00)</u>
	<u>683.87</u>	<u>947.30</u>
	<u>1,376.37</u>	<u>2,034.62</u>
<p>(*) Include ₹ 16.67 lacs (P.Y. ₹ 21.49 lacs) as Unutilised Cenvat on Capital Goods & ₹ 49.75 lacs (P.Y. ₹ 153 lacs) as Advances to Sundry Suppliers for purchase of materials. (**) Includes MAT</p>		



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
19. OTHER CURRENT ASSETS		
Prepaid Expenses	53.69	54.57
Interest & Other recoverables	200.36	164.52
	<u>254.05</u>	<u>219.09</u>
20. REVENUE FROM OPERATIONS		
(i) Sales :		
Starches	19,386.18	17,760.51
Dextrines & Textilose	2,532.41	2,419.98
Glucose	20,758.89	20,267.91
Sorbitol	3,925.56	3,968.90
By-products	12,516.73	11,303.87
Misc. Sales	418.08	402.45
	<u>59,537.85</u>	<u>56,123.62</u>
(ii) Less : Excise Duty	2,950.18	2,878.93
Net Sales (i-ii)	<u>56,587.67</u>	<u>53,244.69</u>
21. OTHER INCOME		
Interest Received	232.68	183.47
Other Income (*)	22.83	23.19
	<u>255.51</u>	<u>206.66</u>
(*) Include Rent Received of ₹ 9.37 lacs (P.Y. ₹ 11.31 lacs) & Net Agriculture Income of ₹ 0.18 lacs (P.Y. ₹ 8.74 lacs)		
22. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	4,315.45	5,274.63
Purchase of Basic Raw Material	32,714.68	30,096.35
	<u>37,030.13</u>	<u>35,370.98</u>
Less : Closing Stock of Basic Raw Material	1,820.13	4,315.45
Effective Consumption of Basic Raw Material	35,210.00	31,055.53
Other Raw Materials, Consumables & Stores	3,205.31	3,211.59
	<u>38,415.31</u>	<u>34,267.12</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,247.86	1,161.82
Opening Stock of Work in Progress	621.19	823.36
	<u>1,869.05</u>	<u>1,985.18</u>
Closing Stock of Finished Goods	1,624.97	1,247.86
Closing Stock of Work in Progress	750.99	621.19
	<u>2,375.96</u>	<u>1,869.05</u>
Change in Inventories	<u>(506.91)</u>	<u>116.13</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)
24. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	2,987.82	2,574.27
Cont. to PF, ESI, Superannuation & Other Funds	241.13	209.60
Workmen & Staff Welfare	146.20	164.33
	<u>3,375.15</u>	<u>2,948.20</u>

INFORMATION UNDER AS-15 "EMPLOYEE BENEFITS" :

Defined Benefit Plan

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

(₹ lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2015-16	2014-15
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	633.00	535.04
(b) Current Service Cost	55.42	51.42
(c) Interest Cost	47.88	39.52
(d) Actuarial (Gain)/Loss	6.15	35.06
(e) Benefit Paid	(46.12)	(28.04)
(f) Present Value of Obligation as at the close of the year	696.33	633.00
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	591.63	524.56
(b) Expected Return on Plan Assets	47.33	41.96
(c) Actuarial (Gain)/Loss	3.49	3.15
(d) Actual Company Contribution	74.34	50.00
(e) Benefit Paid	(46.12)	(28.04)
(f) Fair Value of Plan Assets as at the close of the year	670.67	591.63
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	696.33	605.96
(b) Fair Value of Plan Assets	670.67	591.63
(c) Amount recognized in the Balance Sheet	25.66	14.33
D Expenses recognized during the year		
(a) Current Service Cost	55.02	51.42
(b) Interest Cost	47.88	39.52
(c) Expected Return on Plan Assets	(47.33)	(41.96)
(d) Actuarial (Gain)/Loss	3.04	35.06
(e) Net Cost	58.61	84.04
E Actuarial Assumptions		
(a) Discount Rate (per annum)	7.85%	8.00%
(b) Expected Rate of Return on Assets (per annum)	8.50%	8.50%
(c) Salary Escalation Rate	8.00%	8.00%



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)
25. FINANCE COSTS		
Interest Expense	1,499.55	1,735.22
Other Borrowings Costs/Bank Charges	28.30	42.18
	<u>1,527.85</u>	<u>1,777.40</u>
26. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel	6965.34	7,221.97
Machinery Repair	520.55	525.08
Building Repair	104.29	92.78
	<u>7,590.18</u>	<u>7,839.83</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	14.79	18.60
Professional/Legal Expenses	30.66	32.37
Directors' Fee	2.37	2.22
Travelling Expenses	155.19	161.47
Auditors' Remuneration	7.34	6.53
Rent Paid	18.10	24.92
Electricity & Water Charges	37.42	33.61
Entertainment	5.21	4.25
Postage, Telegram & Telephones	27.63	30.45
Advertisement	15.01	21.40
Subscription	24.06	25.50
General Charges	10.11	3.73
Insurance Expenses	52.84	45.02
Other Repairs & Maintenance	58.35	56.10
Commission & Brokerage	458.21	454.30
Provision for Doubtful debts	19.30	14.73
Other Govt. Taxes, Levies & Fees	36.90	36.56
Rebate & Discount	132.72	134.32
Directors' Commission	71.40	85.63
Loss on sale of Assets/Units	0.12	33.86
Charity & Donation	65.78	43.51
Carriage & Forwarding Charges	419.34	455.99
	<u>1662.85</u>	<u>1,725.07</u>
	<u>9253.03</u>	<u>9,564.90</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

ASSETS	TANGIBLE ASSETS					INTANGIBLE ASSETS			TOTAL	PREVIOUS YEAR
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE			
COST										
Cost as on 1.4.2015	2,576.98	6,432.70	228.96	19,881.74	887.12	364.07	24.96	30,396.54	27,077.04	
Additions	120.40	119.49	20.99	1,249.08	39.40	35.34	8.54	1,593.24	3,385.63	
Sale/Adjustments	--	--	--	3.56	0.54	10.98	--	15.08	66.12	
Total as on 31.3.2016	2,697.38	6,552.19	249.96	21,127.26	925.98	388.43	33.50	31,974.70	30,396.54	
DEPRECIATION										
Upto 31.3.2015	--	2,106.20	171.29	5,500.26	590.21	243.51	18.51	8,629.99	7,241.24	
For the Year	--	349.57	20.99	712.99	70.66	50.72	5.91	1,210.84	1,407.54	
On Sale/Adjustments	--	--	--	0.23	0.51	5.46	--	6.20	18.81	
Upto 31.3.2016	--	2,455.77	192.28	6,213.02	660.36	288.77	24.42	9,834.62	8,629.97	
NET VALUE										
As at 31.3.2016	2,697.38	4,096.42	57.68	14,914.24	265.62	99.66	9.08	22,140.08	21,766.57	
As at 31.3.2015	2,576.98	4,326.50	57.68	14,381.49	296.91	120.56	6.45	21,766.57	--	

NOTE : 9



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. **Contingent Liabilities not provided for include :**
 - (i) **LCs / Bank Guarantees** issued for ₹ 350.33 lacs (Previous Year ₹ 294.64 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.
 - (ii) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹ 27.18 Crores. The amount mainly includes ₹ 24.94 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notice against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of ₹ 1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise and Rs. 1.05 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.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 3.00 crores (Prev. year ₹ 6.70 crores)
 - (iv) Export obligation pending to be fulfilled is US\$ 8.81 lacs (Prev. year US\$ 8.61 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\$ 13.00 lacs during the year under reference (Prev. Year US\$ 7.21 lacs).
3. National Saving Certificates of ₹ 0.08 lacs (Prev. year ₹ 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include ₹ 283.34 lacs (Prev. year ₹ 293.83 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)	2,305.07	2,320.46
(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)	31.23	31.44
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	31.23	31.44
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, 2016

(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			4.30 (8.20)	4.30 (8.20)
Remuneration		252.97 (296.67)	152.80 (123.09)	405.77 (419.76)
On account of sales	6.80 (Nil)			6.80 (Nil)
On account of Purchases	55.83 (67.18)			55.83 (67.18)
Rent received	0.16 (0.06)			0.16 (0.06)

	2015-16 (₹ Lacs)	2014-15 (₹ Lacs)
7. (a) Managerial Remuneration paid/payable to the Executive Directors :		
(i) Salaries	136.92	166.80
(ii) Commission	35.70	50.80
(iii) Contribution to retirement benefit funds	11.05	13.49
(iv) Perquisites	27.95	28.81

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

	2015-16 (₹ Lacs)	2014-15 (₹ Lacs)
Net Profit as per Profit & Loss Account	3567.91	3448.47
Add : Commission to Directors	71.40	85.63
Directors Sitting Fee	2.37	2.22
	3641.68	3536.32
Less : Profit on sale of Assets/Shares	0.12	33.86
Balance :	3641.80	3570.18
Commission @ 1% on Net Profits to Directors	35.70	34.83
Commission @ 1% on Net Profits to Mg. Director and Jt. Mg. Director (PY @1.5% on Net Profits to Mg. Director, Jt Mg. Director & Exe. Director)	35.70	50.80 (*)
Net Profit (as per Section 198)	3570.40	3484.55

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



NOTES ON STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	2015-16 (₹ Lacs)	2014-15 (₹ Lacs)
8. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee	5.00	4.50
Tax Audit Fee	0.42	0.42
For Other Matters	-	-
Reimbursement of out of pocket expenses (*) Including service tax on Audit fee	1.92 *	1.61 *
9. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on a F.O.B. basis	741.50	438.68
10. VALUE OF IMPORTS ON C.I.F. BASIS (excluding canalised items)		
(i) Components/Spare Parts/Consumables	40.54	31.19
(ii) Capital Goods	256.66	-
11. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency on Foreign Travelling	-	2.90
12. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION		
(i) Raw Materials :		
(a) Imported	-	-
(excluding canalised items)	-	-
(b) Indigenous	38,035.94	33,873.02
	(100%)	(100%)
(ii) Spare & Components :		
(a) Imported	58.93	23.56
	(15.53%)	(5.98%)
(b) Indigenous	320.44	370.54
	(84.47%)	(94.02%)

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS [K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAH



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets.

3. LEASES

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

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

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



9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

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

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

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

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

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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



INDEPENDENT AUDITORS' REPORT

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

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, 2016, which comprise the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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 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.



INDEPENDENT AUDITORS' REPORT

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 2016.
- (ii) In case of consolidated profit and loss Accounts, of the profit of the company for the year ended on the date.
- (iii) 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, 2016.

Subsidiary Company	Total Assets (in Lacs)	Total Revenues (in Lacs)
The Vijoy Steel & General Mills Co. Ltd.	106.13	70.67
Scott Industries Ltd.	208.66	-
Sukhjit Mega Food Park & Infra Ltd.	85.97	-

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21-Consolidated Financial Statements issued by the 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, 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, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act.



INDEPENDENT AUDITORS' REPORT

- (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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 25th May, 2016

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, 2016 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 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.



INDEPENDENT AUDITORS' REPORT

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.

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.



INDEPENDENT AUDITORS' REPORT

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, 2016, 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 Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 25th May, 2016

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(Amt. in ₹ LACS)

Particulars	Sukhjit Mega Food Park & Infra Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	100.35	440.14	23.06
Reserves & Surplus / (Accumulated Losses)	(14.46)	(444.47)	(2.64)
Total Assets	85.97	208.66	106.13
Total Liabilities	85.97	208.66	106.13
Investments	-	-	-
Revenue from Operations	-	-	70.67
Profit / (Loss) before taxation	(20.92)	(30.54)	(9.36)
Provision for taxation - Deffered tax	6.46	-	2.82
Profit / (Loss) after taxation	(14.46)	(30.54)	(6.54)
Proposed Dividend (if any)	Nil	Nil	Nil



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2016

	NOTE	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	20,766.42	18,913.75
(c) Minority Interest		<u>1.08</u>	<u>1.05</u>
		21,505.48	19,652.78
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	5,584.72	6,283.89
(b) Deferred Tax Liability (Net)	4	2,288.72	1,955.01
(c) Long Term Provisions	5	<u>6.40</u>	<u>7.49</u>
		7,879.84	8,246.39
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	6	7,115.08	8,880.66
(b) Trade Payables	7	3,297.92	2,413.39
(c) Other Current Liabilities	8	710.28	1,764.31
(d) Short Term Provisions	9	<u>-</u>	<u>442.77</u>
		11,123.28	13,501.13
	TOTAL	<u>40,508.60</u>	<u>41,400.30</u>
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets :	10		
(i) Tangible		22206.78	21,847.80
(ii) Intangible		<u>9.22</u>	<u>6.59</u>
		22216.00	21,854.39
(iii) Capital work in progress	11	<u>948.50</u>	<u>524.06</u>
		23164.50	22,378.45
(b) Non Current Investments	12	115.29	115.29
(c) Long Term Loans & Advances	13	386.70	136.70
(d) Other Non Current Assets	14	<u>218.85</u>	<u>200.55</u>
		23885.34	22,830.99
2. CURRENT ASSETS			
(a) Current Investments	15	1828.08	828.08
(b) Inventories	16	5730.27	8,011.62
(c) Trade Receivables	17	5879.68	5,692.77
(d) Cash & Cash Equivalents	18	1764.20	2,069.54
(e) Short Term Loans & Advances	19	1166.98	1,748.22
(f) Other Current Assets	20	<u>254.05</u>	<u>219.09</u>
		16623.26	18,569.31
	TOTAL	<u>40508.60</u>	<u>41,400.30</u>

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
Mg. Director

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

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS

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



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)
1. Revenue From Operations	21	56,639.98	53,313.50
2. Other Income	22	255.35	206.60
3. Total Revenue		<u>56,895.33</u>	<u>53,520.10</u>
4. Expenses :			
Cost of Materials Consumed	23	38,453.64	34,300.02
Change in Inventories of Finished Goods & Work in Progress	24	(516.84)	108.90
Employee Benefits Expense	25	3,408.58	2,983.73
Financial Costs	26	1,524.73	1,777.42
Depreciation and Amortisation Exp.	10	1,222.73	1,341.44
Other Expenses	27	9,302.47	9,588.81
Total Expenses		<u>53,395.31</u>	<u>50,100.32</u>
5. Profit Before Tax (3-4)		3,500.02	3,419.78
6. Provision for Taxation :			
- Current Tax	915.00		670.00
- Deferred Tax	333.72		450.20
- Taxes Relating to Previous Yrs.	<u>4.84</u>		<u>8.01</u>
		1,253.56	1,128.21
7. Profit after Tax		2,246.46	2,291.57
8. Add/(Less) Minority Interest		0.32	(0.05)
9. Profit for the year		2,246.78	2,291.52
10. Earning per equity share :			
(a) Basic		30.44	31.05
(b) Diluted		30.44	31.05
(c) Face Value Per Share (₹)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
& Company Secretary

I.K. SARDANA
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As per our separate report of even date
For Y.K. Sud & Co.
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Sd/-
(Y.K. Sud)
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Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS [K.K. SARDANA
V.K. SARDANA
S.K. ANAND
V.P. KAPAHI



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	For the Year Ended 31st March, 2016 (₹ Lacs)	For the Year Ended 31st March, 2015 (₹ Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	3,500.02	3,419.78
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	1,222.73	1,341.44
Provision for Doubtful / sub standard assets	39.93	35.36
Adj. of Subsidiary's Reserve on Consolidation	-	262.80
Provision for gratuity	(1.10)	1.41
Adjustments for non-operating activities		
Interest & Dividends received	(255.34)	(183.47)
Interest paid	1,496.41	1,735.22
Loss/(Profit) on sale of assets	0.12	33.86
Flows from operations before working capital changes	6,002.79	6,646.39
CHANGES IN WORKING CAPITAL		
Trade and other receivables	55.70	(826.24)
Inventories	2,281.35	1,308.83
Trade Payables	884.52	(31.13)
Other Liabilities	46.31	24.99
FLOWS FROM OPERATING ACTIVITIES	9,270.67	7,122.84
Direct Taxes Paid		
Income Tax	(656.04)	(608.05)
NET FLOWS FROM OPERATING ACTIVITIES	8614.63	6,514.79
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,017.66)	(2,872.07)
Sale / Adj. of Fixed Assets	9.00	64.98
Investments made	(1,218.30)	431.69
Acquisition of Minority Interest	0.04	(7.98)
Interest & Dividend received	255.34	183.47
NET FLOWS FROM INVESTING ACTIVITIES	(2971.58)	(2,199.91)
FLOWS FROM FINANCING ACTIVITIES		
Borrowings for (Repayments of) working capital Loans	1,765.58	(40.54)
Term Loans raised	-	-
Repayment of Term Loan	(1,337.21)	(1,500.00)
Other Loans raised	(499.17)	440.51
Dividends paid	(850.01)	(304.95)
Interest paid	(1,496.41)	(1,735.22)
NET FLOWS FROM FINANCING ACTIVITIES	(5,948.38)	(3,140.20)
Net Cash Flows during the year	(305.34)	1,174.68
Cash & cash equivalents at beginning of the year	2,069.54	894.86
Cash & cash equivalents at the end of the year	1,764.20	2,069.54

M.G. SHARMA
Sr. Vice President & CFO

AMAN SETIA
Vice President (Finance)
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As per our separate report of even date
For Y.K. Sud & Co.
Chartered Accountants

Sd/-
(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 25th May, 2016

DIRECTORS

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of ₹ 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of ₹ 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Details of shareholders holding more than 5% shares :

Name of the shareholder	As on 31st March, 2016		As on 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	5,34,896	7.25	5,34,896	7.25
Sh. Kuldeep Krishan Sardana	5,67,309	7.69	5,67,309	7.69
Sh. Dhiraj Sardana	4,10,693	5.57	4,06,843	5.51
Sh. Bhavdeep Sardana	4,16,084	5.64	4,12,234	5.59
Sh. Puneet Sardana	4,16,833	5.65	4,03,158	5.46
Sh. Pankaj Sardana	4,12,414	5.59	4,02,958	5.46

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy 468.95 418.95

SECURITIES PREMIUM RESERVE 87.14 87.14

GENERAL RESERVE

As per Last Balance Sheet 17,897.19 15,961.18

Less : transfer from Fixed Assets - (63.99)

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

19897.19 **17,897.19**

PROFIT & LOSS ACCOUNT

As per last Balance Sheet 510.47 661.72

Add : Profit for the year 2,246.78 2,291.52

2,757.25 2,953.24

Less : Appropriations :

(a) Interim Dividend 368.99 -

(b) Final Dividend (Proposed) - 368.99

(c) Corporate tax on dividend 75.12 73.78

(d) Transferred to General Reserve 2,000.00 2,000.00

Surplus Carried Forward 313.14 510.47

20,766.42 18,913.75



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
3. LONG TERM BORROWINGS		
SECURED TERM LOANS FROM BANK(S)		
Secured against Immovable Fixed Assets of Gurplah Unit and Fixed assets located at village Mauza Jadupur, Malda and Equitable Mortogage 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)	450.00	650.00
UNSECURED :		
Fixed Deposits (includes ₹ 5,14,03,000/- from Directors, previous year ₹ 3,45,42,000/-) (Maturity period ranging from 1 to 3 years)	4,060.06	4,536.55
Security Deposits	123.63	125.85
Other Long Term Liabilities	951.03	971.49
	<u>5,584.72</u>	<u>6,283.89</u>
4. DEFERRED TAX LIABILITY (NET)		
As per Last Balance Sheet	1,955.01	1,519.24
Less : Transfer from Fixed Assets	-	(14.42)
Add : Provision for the year due to timing difference arising on :		
(a) Depreciation as per Income Tax Act & Companies Act	342.82	450.91
(b) Brought forward losses	(9.45)	(0.28)
(c) Gratuity & other provisions	0.34	(0.44)
	<u>333.71</u>	<u>450.19</u>
	<u>2,288.72</u>	<u>1,955.01</u>
5. LONG TERM PROVISIONS		
Provision for Gratuity	6.40	7.49
	<u>6.40</u>	<u>7.49</u>
6. SHORT TERM BORROWINGS		
SECURED :		
Cash Credit from Bank(s)		
(a) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	5,110.81	6,872.64
(b) Secured against Book Debts	1,004.27	1,374.69
UNSECURED :		
Short Term Borrowings from Bank(s)	1,000.00	633.33
	<u>7,115.08</u>	<u>8,880.66</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
7. TRADE PAYABLES		
Sundry creditors for goods supplied :		
(a) Micro, Small & Medium Enterprises (*)	16.27	20.73
(b) Others	1,861.59	1,145.21
Sundry Creditors for Expenses	900.05	875.01
Other Creditors (**)	520.01	372.44
	<u>3,297.92</u>	<u>2,413.39</u>
(*) There was nil amount outstanding for more than 45 days and no overdue amount to the Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. Year NIL)		
(**) Include ₹ 278.48 lacs (P.Y. ₹ 246.52 lacs) as advances from Sundry Customers for supply of Goods.		
8. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	200.00	1,337.21
Unclaimed Dividends	106.99	70.12
Taxes payable	154.87	127.58
Interest accrued but not due on Fixed Deposits	248.42	229.40
	<u>710.28</u>	<u>1,764.31</u>
9. SHORT TERM PROVISIONS		
Proposed Dividend	-	368.99
Corporate Tax on Dividend	-	73.78
	<u>-</u>	<u>442.77</u>
11. FIXED ASSETS		
Capital Work in Progress :		
Building under construction	660.99	278.57
Machinery under Errection	286.73	241.82
Furniture / Fixture under Construction	0.78	3.67
	<u>948.50</u>	<u>524.06</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
12. NON CURRENT INVESTMENTS		
Membership (Investment) - The Country Club (AT COST)	0.65	0.65
INVESTMENT IN GOVT. SECURITIES/UNITS OF MUTUAL FUNDS - UNQUOTED (AT COST) :		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF SHARES - UNQUOTED (AT COST)		
Hindustan Engineering & Industries Ltd. 72610 shares (Prev. Year 72610 shares) of Face value ₹ 10/- per unit	14.56	14.56
INVESTMENT IN DEBENTURES/UNITS OF MUTUAL FUNDS QUOTED (AT COST) :		
Tata Capital Ltd. 20 Non-Convertible Secured Debentures (Pre. Year 20 deb.)of Face Value of ₹ 500000/- per debenture	100.00	100.00
	<u>115.29</u>	<u>115.29</u>
Aggregate Amount of Unquoted Investments - ₹ 15.29 lacs (P.Y. ₹ 15.29 lacs)		
Aggregate Amount of Quoted Investments - ₹ 100 lacs (P.Y. ₹ 100 lacs)		
Market Value of Quoted Investments - ₹ 102.70 lacs (P.Y. ₹ 101 lacs)		
13. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Advances against Purchase of Property	386.70	136.70
	<u>386.70</u>	<u>136.70</u>
14. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good		
Security/Other Deposits	218.85	200.55
	<u>218.85</u>	<u>200.55</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
15. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES		
UNQUOTED (AT COST) :		
(i) HDFC Short Term Opportunity Fund 967535.944 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	150.00	-
(ii) Reliance Short Term Fund 1494781.57 units (Prev. Year 403997.964 units) of Face value of ₹ 10/- per unit	400.00	100.00
(iii) UTI Income Opportunity Fund 781567.512 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(iv) Reliance Regular Saving Fund 1071704.145 units (Prev. Year 554502.002 units) of Face value of ₹ 10/- per unit	200.00	100.00
(v) JP Morgan India Government Securities Fund 881710.855 units (Prev. Year 881710.855 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vi) UTI Short Term Income Fund 627273.868 units (Prev. Year 627273.868 units) of Face value of ₹ 10/- per unit	100.00	100.00
(vii) HDFC Short Term Plan Fund 544749.343 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	150.00	-
(viii) ICI Prudential Corporate Bond Fund 455176.495 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(ix) SBI Corporate Bond Fund 444187.803 units (Prev. Year Nil units) of Face value of ₹ 10/- per unit	100.00	-
(x) UTI Floating Rate Fund 4632.076 units (Prev. Year 4632.076 units) of Face value of ₹ 10/- per unit	<u>100.00</u>	<u>100.00</u>
	1,500.00	500.00
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES		
QUOTED (AT COST) :		
(i) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value ₹ 1000/- per bond	24.72	24.72
(ii) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value ₹ 1000000/- per debenture	<u>303.36</u>	<u>303.36</u>
	328.08	<u>328.08</u>
	<u>1,828.08</u>	<u>828.08</u>

Aggregate Amount of Unquoted Investments - ₹ 1,500 lacs (P.Y. ₹ 500 lacs)

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

Market Value of Quoted Investments - ₹ 342.54 lacs (P.Y. ₹ 344.70 lacs)



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
16. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	1,848.22	4,370.38
Stock in Process (at cost or net realisable value whichever is lower)	750.99	621.19
Finished Goods (at cost or net realisable value whichever is lower and By Products at net realisable value)	1,666.49	1,282.85
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,449.21	1,719.89
Loose Tools (at cost or net realisable value whichever is lower)	15.36	17.31
	<u>5,730.27</u>	<u>8,011.62</u>
17. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	128.30	147.74
Considered Doubtful	302.80	279.95
	<u>431.10</u>	<u>427.69</u>
Less : Provision for Doubtful Debts	<u>117.30</u>	<u>77.37</u>
	313.80	350.32
Other Considered Goods	5,565.88	5,342.45
	<u>5,879.68</u>	<u>5,692.77</u>
18. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in	25.75	31.92
Current Accounts (*)	190.72	388.70
Fixed Deposit Accounts (**)	<u>1,547.73</u>	<u>1,648.92</u>
	1,738.45	2,037.62
	<u>1,764.20</u>	<u>2,069.54</u>

(*) Include Balances of ₹ 106.98 lacs (P.Y. ₹ 62.58 lacs) in the Unclaimed / Unpaid Dividend Accounts.

(**) (i) Include deposits of ₹ 43.35 lacs (P.Y. ₹ 42.30 lacs) held as margin money / security against LCs / Bank guarantees

(ii) ₹ 17.13 lacs (P.Y. ₹ 40.83 lacs) with the maturity of more than one year.

19. SHORT TERM LOANS & ADVANCES

Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	216.31	478.81
Advance against Capital Goods	104.66	210.03
Preoperative Expenses	66.33	-
Other Advances	95.81	112.08
Income Tax in advance (**)	2,488.87	2,177.30
Less : Provision for Tax	<u>(1,805.00)</u>	<u>(12,30.00)</u>
	683.87	947.30
	<u>1,166.98</u>	<u>1,748.22</u>

(*) Include ₹ 16.67 lacs (P.Y. ₹ 21.49 lacs) as Unutilized Cenvat on Capital Goods & ₹ 49.75 lacs (P.Y. ₹ 153 lacs) as advance to sundry suppliers for purchase of materials.

(**) Includes MAT



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	AS ON 31.3.2016 (₹ LACS)	AS ON 31.3.2015 (₹ LACS)
20. OTHER CURRENT ASSETS		
Prepaid Expenses	53.69	54.57
Interest & Other recoverables	200.36	164.52
	<u>254.05</u>	<u>219.09</u>
21. REVENUE FROM OPERATIONS		
(i) Sales	59,590.16	56,192.43
(ii) Less : Excise Duty	2,950.18	2,878.93
Net Sales (i - ii)	<u>56,639.98</u>	<u>53,313.50</u>
22. OTHER INCOME		
Interest Received	232.68	183.47
Other Non-operative Income (*)	22.67	23.13
	<u>255.35</u>	<u>206.60</u>
(*) Include Rent Received of ₹ 9.37 lacs (P.Y. ₹ 11.31 lacs) & Net Agriculture Income of ₹ 0.18 lacs (P.Y. ₹ 8.74 lacs)		
23. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	4370.38	5,325.79
Purchase of Basic Raw Material	32729.05	30,137.52
	<u>37099.43</u>	<u>35,463.31</u>
Less : Closing Stock of Basic Raw Material	1848.22	4,370.38
Effective Consumption of Basic Raw Material	<u>35251.21</u>	<u>31,092.93</u>
Other Raw Materials, Consumables & Stores	3202.43	3,207.09
	<u>38453.64</u>	<u>34,300.02</u>
24. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	1,282.85	1,189.58
Opening Stock of Work in Progress	621.19	823.36
	<u>1,904.04</u>	<u>2,012.94</u>
Closing Stock of Finished Goods	1,669.89	1,282.85
Closing Stock of Work in Progress	750.99	621.19
	<u>2,420.88</u>	<u>1,904.04</u>
Change in Inventories	<u>(516.84)</u>	<u>108.90</u>
25. EMPLOYEE BENEFITS EXPENSE		
Wages & Salaries	3,012.98	2,602.35
Cont. to PF, ESI, Superannuation & Other Funds	244.17	213.08
Workmen & Staff Welfare	151.43	168.30
	<u>3,408.58</u>	<u>2,983.73</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	FOR THE YEAR ENDED 31.3.2016 (₹ LACS)	FOR THE YEAR ENDED 31.3.2015 (₹ LACS)
26. FINANCE COSTS		
Interest Expense		
Interest	1,496.41	1,735.22
Other Borrowings Costs/Bank Charges	28.32	42.20
	<u>1,524.73</u>	<u>1,777.42</u>
27. OTHER EXPENSES		
MANUFACTURING EXPENSES :		
Power and Fuel	6,969.36	7,226.73
Machinery Repair	512.54	517.93
Building Repair	104.29	92.78
Other Charges	5.24	2.27
	<u>7,591.43</u>	<u>7,839.71</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES :		
Printing & Stationery	14.86	18.63
Professional/Legal Expenses	31.40	32.60
Directors' Fee	2.37	2.22
Travelling Expenses	161.84	162.22
Auditors' Remuneration	7.74	6.88
Rent Paid	34.87	24.92
Electricity & Water Charges	37.42	33.61
Entertainment	5.27	4.25
Postage, Telegram & Telephones	27.78	30.66
Advertisement	15.79	21.79
Subscription	24.06	25.50
General Charges	10.97	4.28
Insurance Expenses	52.84	45.02
Other Repairs & Maintenance	58.48	56.55
Commission & Brokerage	458.21	454.30
Provision for Bad debts	39.93	35.36
Other Govt. Taxes, Levies & Fees	37.47	36.97
Rebate & Discount	132.72	134.35
Directors' Commission	71.40	85.63
Charity & Donation	66.16	43.51
Loss on Sale of Assets/Units	0.12	33.86
Carriage & Forwarding Charges	419.34	455.99
	<u>1,711.04</u>	<u>1,749.10</u>
	<u>9,302.47</u>	<u>9,588.81</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

NOTE : 10 **FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2016** Amount (₹ Lacs)

ARTICULARS	TANGIBLE ASSETS							INTANGIBLE ASSETS			TOTAL PREVIOUS YEAR	
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENTS	VEHICLES	COMPUTER SOFTWARE	COMPUTER SOFTWARE	31.03.2015			
OWNED ASSETS												
COST												
Cost as on 1.4.2015	2,626.69	6,441.81	229.69	19,930.56	928.22	364.07	25.14	30,546.18				27,246.75
Additions	120.40	119.49	20.99	1,249.08	39.40	35.34	8.54	1,593.24				3,389.28
Sale/Adjustments	--	--	--	3.56	0.54	10.98	--	15.08				89.84
Total as on 31.3.2016	2,747.09	6,561.30	250.68	21,176.07	967.08	388.43	33.68	32,124.33				30,546.19
DEPRECIATION												
Upto 31.3.2015	--	2,111.53	171.92	5,533.29	613.00	243.51	18.55	8,691.80				7,299.02
For the Year	--	349.69	21.02	715.48	79.91	50.72	5.91	1,222.73				1,419.84
On Sale/Adjustments	--	--	--	0.23	0.51	5.46	--	6.20				27.07
Upto 31.3.2016	--	2,461.22	192.94	6,248.54	692.40	288.77	24.46	9,908.33				8,691.80
NET VALUE												
As on 31.3.2016	2,747.09	4,100.08	57.74	14,927.53	274.68	99.66	9.22	22,216.00				21,854.39



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

32. Figures for the previous year have been recast / regrouped wherever necessary.
33. Contingent Liabilities not provided for include :
- (a) **LCs / Bank Guarantees** issued for ₹ 350.33 lacs (Previous Year ₹ 294.64 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Assistant Excise & Taxation Commissioner for VAT rebate, Commissioner of Customs / Jt. Director of Foreign Trade for the import of machinery under EPCG licence etc.
- (b) **Central Excise Duty** : Disputed Liabilities, not provided as expense in the accounts, comprise of ₹27.18 Crores. The amount mainly includes ₹ 24.94 Crores as disputed Central Excise Duty (excluding penalty and interest) demand raised by the Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. Since the matter is subjudice, the Department has continuously been issuing the show cause notice against the differential duty. However, pertinent to mention that the product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of ₹1.19 crores on exempted goods and the case is pending before the Commissioner, Central Excise and Rs. 1.05 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.
- (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : ₹ 3.00 crores (Prev. year ₹ 6.70 crores)
- (d) Export obligation pending to be fulfilled is US\$ 8.81 lacs (Prev. year US\$ 8.61 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\$ 13.00 lacs during the year under reference (Prev. Year US\$ 7.21 lacs).

34. Earnings per share :	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (₹ in Lacs)	2,246.78	2,291.53
(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)	30.44	31.05
(d) Diluted earnings per share of ₹ 10/- each (₹) (a/b)	30.44	31.05

35. Related Party Disclosures :

(a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

(i) The Vijoy Steel & General Mills Co. Ltd.	:	Subsidiary
(ii) Scott Industries Ltd.	:	Subsidiary
(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, 2016

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

(Amount ₹ Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			4.30 (8.20)	4.30 (8.20)
Remuneration		252.97 (296.67)	152.80 (123.09)	405.77 (419.76)
On account of sales	6.80 (NIL)			6.80 (NIL)
On account of Purchases	55.83 (67.18)			5.83 (67.18)
Rent received	0.16 (0.06)			0.16 (0.06)

	<u>2015-16</u>	<u>2014-15</u>
	(₹ Lacs)	(₹ Lacs)
36. Managerial Remuneration paid/payable to the Executive Directors		
(i) Salaries	136.92	166.80
(ii) Commission	35.70	32.13
(iii) Contribution to retirement benefit funds	11.05	13.49
(iv) Perquisites	27.95	28.81

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

Name of Entity	Net Assets i.e. total assets minus total liabilities		Share in Profit or loss	
	As % of consolidated net assets	Amount (in lacs)	As % of consolidated profit or loss	Amount (in lacs)
Parent The Sukhjit Starch & Chemicals Limited	102.17	21,971.47	102.59	2,305.07
Subsidiaries (Indian)				
– The Vijoy Steel & General Mills Co. Ltd.	(0.01)	(2.64)	(0.29)	(6.54)
– Scott Industries Ltd.	(2.07)	(444.47)	(1.36)	(30.54)
– Sukhjit Mega Food Park & Infra Ltd.	(0.07)	(14.46)	(0.64)	(14.46)
Minority Interest in all subsidiaries/ Associates	0.00	(1.08)	(0.02)	(0.32)

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2016 (₹ 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	56,839.63	53,451.29	0.00	0.00	0.00	0.00	55.69	68.81	--	--	56,895.32	53,520.10
– Internal Sales	3.55	0.06	--	--	2.73	--	14.98	11.66	(21.26)	(11.72)	--	--
Total Revenue	56,843.18	53,451.35	--	--	2.73	--	70.67	80.47	(21.26)	(11.72)	56,895.32	53,520.10
2. Segment Result												
– Profit before Tax	3,567.91	3,448.47	(30.54)	(30.29)	(20.92)	0.00	(9.36)	1.59	(7.07)	--	3,500.02	3,419.78
– Provision for Taxation	(1,262.84)	(1,128.01)	0.00	0.00	6.46	--	2.82	(0.20)	--	--	(1,253.56)	(1,128.21)
– Profit after Taxation	2,305.07	2,320.46	(30.54)	(30.29)	(14.46)	--	(6.54)	1.39	(7.07)	--	2,246.46	2,291.56
3. Segment Assets												
– Segment assets	4,0971.49	41,794.86	208.66	238.45	85.97	0.00	106.13	121.75	(863.65)	(754.76)	40,508.60	41,400.30
– Segment Liabilities	16,699.66	19,776.98	212.99	212.22	0.08	0.00	85.71	97.14	(284.07)	(294.82)	16,714.37	19,791.52
– Capital Expenditure	2,006.83	2,868.42	0.00	0.00	--	0.00	3.65	3.65	--	--	2,010.48	2,872.07



STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

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

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and incident charges relating to their acquisition and installation, Interest on borrowings for fixed assets acquisition and revenue expenditure incurred for the period prior to commercial production are considered as a part of the cost of assets.

3. LEASES

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

4. DEPRECIATION

Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value, on the basis of estimated useful lives as specified in Schedule II to the Companies Act, 2013. Accordingly the unamortized carrying value is being depreciated / amortised over the revised/ remaining useful lives. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

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



9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

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

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

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

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

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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

THE SUKHJIT STARCH & CHEMICALS LIMITED

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

**ATTENDANCE SLIP
 ANNUAL GENERAL MEETING - JULY 27, 2016 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 27th day of July, 2016 at its Regd. office at Sarai Road, Phagwara-144401, Distt. Kapurthala, Punjab

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

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

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, July 27, 2016 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 2016.

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

Affix Revenue Stamp

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

PUNJAB

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E-mail : sukhjit@sukhjitgroup.com
Website : www.sukhjitgroup.com

TELANGANA

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

WEST BENGAL

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E-mail : sukhjitmalda@gmail.com
Website : www.sukhjitgroup.com

HIMACHAL PRADESH

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Website : www.sukhjitgroup.com



The Sukhjit Starch
& Chemicals Limited
Evolving with Nature

