



THE SUKHJIT
STARCH AND CHEMICALS
LIMITED

EVOLVING WITH NATURE



75TH
ANNUAL REPORT
2018~19

THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. V.P. Kapahi - Chairman

S. Ranbir Singh Seehra

Smt. Ruby Agrawal

Sh. K.K. Sardana - Managing Director

Sh. M.G. Sharma - Executive Director (Fin) & CFO

BANKERS

Punjab National Bank

G.T. Road, Phagwara-144 401.

AUDITORS

M/s VSAP & Associates

Chartered Accountants

Street No. 1, Patel Nagar,

Banga Road, Phagwara-144 401.

REGISTERED OFFICE

Sarai Road, Phagwara

Distt. Kapurthala, Punjab-144 401

CIN : L15321 PB1944 PLC001925

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Skyline Financial Services (Pvt.) Ltd.

D-153A, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi-110 020

Tel. : 011-26812682, 83

Fax : 011-26812684

ANNUAL REPORT & ACCOUNTS 2018-2019



**The Sukhjit Starch
& Chemicals Limited**



Late Shri I.K.Sardana



“ The greatness of a man is not in how much wealth he acquires, but in his integrity and his ability to affect those around him positively ”



“We miss you Sir”
Team Sukhjit



Mantras of Late Shri I.K. Sardana

1. Be direct with your customer :

The only mantra of success in the business is transparency and consistency.

2. God gives everybody equally :

Hard work is rewarded equally in this world. On moving average basis happiness index growth is most important factor.

3. There are no employees :

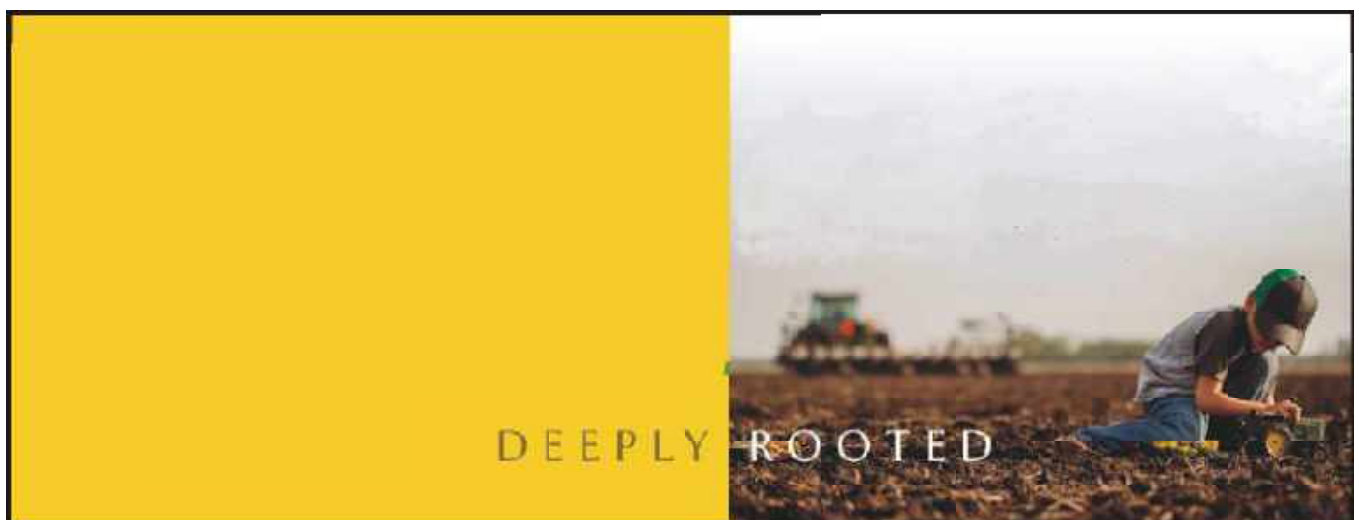
Everyone in the organisation are like family and everybody works for the common goal. Human touch is the most powerful motivational factor in the world.

4. Trust is our religion and there is no short cut for the same.

5. Ethics is above everything in business.

6. Until or unless our foundation is strong, our future is weak.

7. Be humble and thankful always. That's the real growth.





NOTICE

NOTICE is hereby given that the 75th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held on Thursday, the 8th day of August, 2019 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 31.03.2019.
2. To ratify the appointment of Auditors for a further period of 1 year i.e. from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting as per the provisions of the Companies Act, 2013 and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, other applicable provisions (if any) of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby granted for the appointment of Shri K.K. Sardana (DIN: 00398376) as the Managing Director of the Company with effect from 1st May, 2019, for a period of 5 years on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the appointment including remuneration, commission etc. payable to Shri K.K. Sardana within the limits specified in Schedule V to the Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri K.K. Sardana."

4. To consider and if thought fit to pass with or without modification(s) the following resolution :-

"RESOLVED THAT pursuant to the provisions of Section 196, 197, other applicable provisions (if any) of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule V to the Companies Act, 2013, the consent of the members be and is hereby granted to the re-appointment of Shri M.G. Sharma (DIN: 00398326) as the Executive Director (Fin) & CFO of the Company with effect from 1st August, 2019 for a period of 2 years, on the terms & conditions including remuneration as are set out in the Explanatory Statement annexed hereto with the liberty to the Board of Directors to alter and vary and / or modify the terms & conditions of the appointment including remuneration etc. payable to Shri M.G. Sharma within the limits specified in Schedule V to the Companies Act, 2013 and / or any amendment thereto as may be made by the Central Government from time to time and as may be agreed between the Board of Directors and Shri M.G. Sharma."



5. To consider and if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 149, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013, Smt. Manjoo Sardana in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing her candidature to the office of Director and who is eligible for appointment as a Director, be and is hereby appointed a Director of the Company liable to retire by rotation."

6. To consider and if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members be & is hereby granted to the appointment of S. Ranbir Singh Seehra (DIN: 01575708), as a Non Executive Independent Director of the Company w.e.f. 1st April, 2019 to hold office for a period of 3 years i.e upto March 31, 2022."

7. To consider and if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution :

"RESOLVED THAT pursuant to the provisions of section 149, 150, 152, 161, other applicable provisions (if any) of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) read with the Schedule IV to the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the members is be & hereby granted to the appointment of Smt. Ruby Agrawal (DIN: 08417902), as a Non Executive Independent Director of the Company w.e.f. 10th April, 2019 to hold office for a period of 3 years i.e. upto April 9, 2022."

8. To consider and if thought fit to pass with or without modification(s) the following resolution as a ordinary resolution :

"RESOLVED THAT in suppression to the earlier resolution passed (if any) in this regard and pursuant to the provisions of Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such other approvals as may be required, the consent of the shareholders be and is hereby accorded to the Company to sell, lease, dispose off any asset of the Company and/or to pledge/ mortgage/ hypothecate/ charge in addition or supplemental to the existing charges, mortgages and hypothecations, if any, created by the Company on all/ or part of its movable and/or immovable properties, both present and future and the whole or part of its undertaking of every nature & kind whatever and/or creating of floating charge in all or any moveable or immoveable properties of the Company and the whole / part of its undertaking in such manner as the Board may deem fit, to or in favour of Banks/ Financial Institutions/ Investors/ Lenders or any other person, to secure the amount borrowed, loans /advances



already obtained or that may be obtained, including interest, all other costs, charges and expenses and other moneys payable either by the Company itself or any of its subsidiary from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments, agreements and writings as may be required for the purpose of giving effect to the aforesaid Resolution."

9. To ratify the remuneration of Cost Auditors for the financial year ended March 31, 2020, by passing with or without modification(s) the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the remuneration fixed by the Board of Directors payable to the Cost Auditors for conducting the audit of cost records of the Company for the financial year ending March 31, 2020, be and is hereby ratified."

By Order of the Board
Sd/-

AMAN SETIA

Vice President (Finance)
& Company Secretary

Place : Phagwara.

Dated : 25th May, 2019

EXPLANATORY STATEMENT(S) OF ITEM NO. 3 TO 9 (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

ITEM NO. 3

Shri K.K. Sardana was re-appointed as Jt. Managing Director for five years by passing special resolution by the Shareholders in the Annual General Meeting held on 29th day of July, 2015 (with effect from 1st September, 2015). Since our worthy Managing Director Sh. I.K. Sardana passed away on 30/04/2019, your Directors, subject to the approval of the shareholders in the General Meeting, have appointed Shri K.K. Sardana as Managing Director of the Company for a further period of 5 years with effect from 1st May, 2019 on the following terms & conditions :-

1. The Managing Director shall act under the superintendence, control and directions of the Board of Directors and is vested with the powers of governance and control of the Company and is authorized to exercise all the powers for the general conduct of business and affairs of the company efficiently and profitably.
2. The appointment is made for a period of 5 years with effect from 1st May, 2019.
3. REMUNERATION:
 - (a) Salary & Allowance : ₹ 6.95 Lacs p.m. (Basic Salary ₹ 4.65 lacs & Allowances ₹ 2.30 lacs) (present emoluments) with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
 - (b) Commission : ½% (Half percent) of the net profits of the company for each financial year.
 - (c) Perquisites : Perquisites shall be allowed in addition to salary and commission & will be restricted to an amount equal to the annual salary.



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

CATEGORY 'A'

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

CATEGORY 'B'

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

CATEGORY 'C'

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

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

Sh. K.K. Sardana (being 71 years of age) has life long Administrative, Management, Commercial & Technical experience to his credit with the sound business acumen. The company has grown significantly with new projects, expansions or diversified product portfolios under his able stewardship. The Company has shown a quantum jump in its turnover and profitability over the years. The Company is setting an expansion unit which will increase the installed capacity of the company by about 50% in F.Y. 19-20. Sh. K.K. Sardana will not only play a vital role in successful commissioning of the project and its profitable operations thereafter but also guide the future growth of the company in the year to come.

The Board recommends his appointment as the Managing Director of the Company for a period of five years w.e.f 1st May, 2019 (with the approval of the shareholders by way of special resolution) so as to continue benefiting from his lifelong experience and astute leadership in the overall interest and future growth of the company.

None of the Directors except Shri K.K. Sardana himself is concerned or interested in this resolution.



ITEM NO. 4

Shri M. G. Sharma, who is B.Sc , D.B.I.M, F.C.A, A.C.S and has been working with the company since 1981 and as Group Senior Vice President & C.F.O. when co-opted as member of the board on 1st August, 2019. He is heading finance and commercial functions of the company with due compliance of statutory Acts like Income Tax Act, Central Excise Act etc and other applicable Acts to the company from time to time. The Board, in their meeting held on 25.05.2019 (subject to the approval of the shareholders in the ensuing General Meeting) have re-appointed Shri M.G. Sharma as Executive Director (Fin) & C.F.O. of the Company for a period of 2 years with effect from 1st August, 2019 on the following terms & conditions :

1. The Executive Director (Fin) & C.F.O. shall be vested with the powers of governance & control for the general conduct of business and affairs of the company efficiently and profitably under the superintendence / overall directions of the Board of Directors / Managing Director.
2. The appointment is made for a period of 2 years with effect from 1st August, 2019.
3. REMUNERATION:
 - (a) Salary & Allowances : 3.71 Lacs p.m. (Basic Salary Rs. 1.75 lacs & Allowances Rs. 1.96 lacs) (present emoluments) with annual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule V to the Companies Act, 2013.
 - (b) Perquisites : Perquisites shall be allowed in addition to salary & will be restricted to an amount equal to the annual salary.

Unless otherwise the context requires Shri M. G. Sharma shall be entitled to the following perquisites under three categories :

CATEGORY 'A'

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

CATEGORY 'B'

- (i) Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act.
- (ii) Earned Leave: As per rules of the Company and being presently enjoyed by him.

CATEGORY 'C'

Provision of chauffeur driven car for use on company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls or private use of car shall be billed to the appointee as per rules of the company. The above limits shall be subject to Schedule V of the Companies Act, 2013 and any amendment thereto as may be made by the Central Government from time to time and agreed between the Board of Directors and Shri M.G. Sharma. He shall be entitled to actual entertainment and travelling expenses incurred during the course of business as per rules of the Company. Shri M.G. Sharma will not receive any sitting fee for attending the meeting of the Board of Directors of the Company and shall not, so long as he functions as Executive Director of the Company, become interested or concerned directly or through his wife or children in