

THE SUKHJIT STARCH & CHEMICALS LIMITED, PHAGWARA

BOARD OF DIRECTORS

Sh. S.C. Jindal - Chairman

Sh. V.K. Sardana

Sh. A.K. Sardana

Sh. Naresh Sardana

Sh. S.K. Anand

Sh. V.P. Kapahi

Sh. I.K. Sardana-Managing Director

Sh. K.K. Sardana-Jt. Managing Director

Sh. S.M. Jindal-Executive Director & Secretary

BANKERS

Punjab National Bank

G.T. Road, Phagwara-144 401.

AUDITORS

M/s Y.K. Sud & Company

Chartered Accountants

Durga Niwas, Opp. Friends Cinema,

Jalandhar.

REGISTERED OFFICE

Phagwara-144 401 (Ph.)

ANNUAL REPORT & ACCOUNTS 2009-2010



NOTICE

NOTICE is hereby given that the 66th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals Ltd. will be held at the Registered Office of the Company, at Phagwara, on Monday, the 9th day of August, 2010 at 10.00 A.M. 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 31.3.2010.
2. To declare dividend on the Equity Shares for the year ended 31.3.2010.
3. To appoint Director in place of Shri A.K. Sardana who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri Naresh Sardana who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby granted to the re-appointment of Shri K.K. Sardana as Joint Managing Director of the Company with effect from 1st September, 2010 on the terms and conditions including remuneration as is 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 and conditions of the re-appointment including remuneration, commission etc. payable to Shri K.K. Sardana within the limits specified in Schedule XIII to the Companies Act, 1956 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 from time to time.

Further Resolved if in any financial year closing after 31st March, 2010 the Company has no profit or its profits are inadequate, the Company shall pay minimum remuneration to Shri K.K. Sardana by way of Salary/allowances and perquisites not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force "

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

"Resolved that pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the consent of the Company be and is hereby granted to the re-appointment of Shri S.M. Jindal as Executive Director of the Company with effect from 1st September, 2010 on the terms and conditions including remuneration as is 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 and conditions of the re-appointment including remuneration, commission etc. payable to Shri S. M. Jindal within the limits specified in Schedule XIII to the Companies Act, 1956 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 S.M. Jindal from time to time

Further Resolved if in any financial year closing after 31st March, 2010 the Company has no profit or its profits are inadequate, the Company shall pay minimum remuneration to Shri S. M. Jindal by way of Salary/allowances and perquisites not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force "

By Order of the Board

Place : Phagwara.

Dated : 19th June, 2010

S.M. JINDAL

Executive Director & Secretary



NOTES :

1. A Member, entitled to attend and 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. The Shareholders, 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 31.3.2010 and Profit & Loss Account for the year ended on that date together with the 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 31st July, 2010 to 9th August, 2010 (both days inclusive).
4. The Members are requested to notify any change in their addresses immediately to the Registrar-cum-Share Transfer Agents of the Company
5. The Dividend Warrants, to the resident members of the Company, will be posted within 30 days from the date of declaration of dividend.
6. The Members are hereby informed that the Dividends, which remain unclaimed/unencashed 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 205C of the Companies Act, 1956. Further, under the amended provisions of the Companies Act, 1956, no claim shall lie for the unclaimed dividend either from the company or from IEPF thereafter.
7. The Members, who have not encashed their dividend warrants for the financial year 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008 and 2008-2009 may approach the company for revalidation of the original dividend warrants or for obtaining duplicate dividend warrants. The unpaid/unclaimed amount will be deposited to the Investors Education and Protection Fund as per the given schedule :

Dividend for Financial Year	Date of Declaration	Due date for Deposit
2002-2003	24.09.2003	23.09.2010
2003-2004	17.09.2004	16.09.2011
2004-2005	27.09.2005	26.09.2012
2005-2006	20.09.2006	19.09.2013
2006-2007	12.09.2007	11.09.2014
2007-2008	27.08.2008	26.08.2015
2008-2009	25.08.2009	24.08.2016
8. The Provisions of section 109A and 109B of the Companies Act, 1956 have extended the nomination and transmission facility to the shareholders of a company. The shareholders can avail the above facility by furnishing to the Company, the particulars of their nominee(s). Every person who becomes the nominee, by virtue of Section 109A, may upon the production of such 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.
9. The shares of the Company are under the compulsory demat list, so trading in the equity shares can only be made in dematerialized form. In case you have not dematerialized your shares, you may do so by opening an account with a depository participant.
10. 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 :
 - (a) Shri A.K. Sardana retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
Shri A.K. Sardana is a qualified Engineer and is a retired Senior Executive of Indian Oil Corporation Ltd. He does not hold any other directorship and holds 26,620 shares of our company.
 - (b) Shri Naresh Sardana retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
Shri Naresh Sardana is B.E. (Electrical) and has served as Area Sales Manager (Middle East) with M/s. Brook Crompton International. He does not hold any other directorship and holds 36,300 shares of our company. Both the directors have long Managerial & administrative business experience to their credit. They are associated with the company as directors for last over 13 years and have contributed significantly to the overall growth of the Company. The Board, therefore recommends their re-appointment.
Each of the two Directors and Shri V.K. Sardana (being the brother of Shri A.K. Sardana) may be deemed to be interested in the resolution relating to their re-appointment.



**EXPLANATORY STATEMENT(5) OF ITEM NO. 6, 7 & 8
(PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)**

ITEM NO. 6

Shri K.K. Sardana was reappointed for 5 years in the Annual General Meeting held on 27/09/2005 with effect from 01/09/2005. His term of office expires on 31/08/2010.

Shri K.K. Sardana with his able and dynamic leadership has astutely steered the company successfully through various phases of growth and played a very vital role in bringing the Organization to the present stage. The company, being in an expansion mode, is expected to achieve newer heights under his able management. Your Directors have subject to the approval of the members, re-appointed Shri K.K. Sardana as Joint Managing Director of the Company for a further period of 5 years with effect from 1st September, 2010 on the following terms and conditions :

1. Remuneration :

- (a) Salary : Rs. 2 lacs p.m. and Management Allowance : Rs. 1 lac p.m. with usual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule XIII to the Companies Act, 1956.
- (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 and will be restricted to an amount equal to the annual salary & allowances.

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-imbusement for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's 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 and Mediclaim Insurance policies 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 month's 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'

Provis-on of a 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 XIII of the Companies Act, 1956 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 travelling and other expenses incurred during the course of business or in connection thereof 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 Joint Managing Director of the Company, become interested or concerned directly or through his wife or minor children in any selling agency of the company without prior approval of the Central Government.

None of the Directors except Shri K.K. Sardana and Shri J.K. Sardana (being brother of Shri K.K. Sardana) may be deemed to be concerned or interested in the resolution relating to his re-appointment.



ITEM NO. 7

Shri S.M. Jindal was reappointed for 5 years in the Annual General Meeting held on 27/09/2005 with effect from 01/09/2005. His term of office expires on 31/08/2010.

He has life long experience in business of Starch Industry and his visionary approach has contributed a lot to the smooth and profitable running of the company. His association with the Company is expected to further contribute significantly to its overall growth in future. Your Directors have, subject to the approval of the members, re-appointed Shri S.M. Jindal as Executive Director of the Company for a further period of 5 years with effect from 1st September, 2010 on the following terms and conditions :

1. Remuneration :

- (a) Salary : Rs. 2 lacs p.m. and Management Allowance : Rs. 1 lac p.m. with usual increment as may be decided by the Board of Directors from time to time within the overall limits specified under Schedule XIII to the Companies Act, 1956.
- (b) Commission : 1/2% (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 and will be restricted to an amount equal to the annual salary / allowances.

Unless otherwise the context requires, Shri S.M. Jindal shall be entitled to the following perquisites under three categories :

Category 'A'

- (i) Free furnished accommodation with 10% deduction of salary
- (ii) Medical re-imbursment for the expenses incurred for self and family subject to a ceiling of one month's salary in a year or three month's 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 and Mediclaim Insurance Policies 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 month's leave for every 11 months of service. Encashment of leave at the end of the tenure will not be considered as ceiling on the computation of perquisites.

Category 'C'

Provision of a 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 XIII of the Companies Act, 1956 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 S.M. Jindal. He shall be entitled to traveling and other expenses incurred during the course of business or in connection thereof as per rules of the Company. Shri S.M. Jindal 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 Executive Director of the Company, become interested or concerned directly or through his wife or minor children in any selling agency of the company without prior approval of the Central Government.

None of the Directors except S.M. Jindal may be deemed to be concerned or interested in the resolution relating to his re-appointment.



DIRECTORS' REPORT

Dear Share Holders :

Your Directors' are pleased to present before you the 65th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2010 :-

1. FINANCIAL RESULTS	2009-10 (Rs. in Lacs)	2008-09 (Rs. in Lacs)
Sales & Other Income	26628.34	21277.43
Profit before tax & depreciation	2485.35	1942.96
Profit before tax but after depreciation	1891.33	1431.51
Provision for taxes	(447.00)	(269.00)
Profit After Tax	1444.33	1162.51
Taxes relating to previous years	23.08	(1.98)
Surplus brought forward from previous year	449.43	334.26
Surplus available for appropriation	1916.84	1494.79
Proposed dividend (including Corporate Tax)	(516.34)	(345.36)
Transfer to General Reserve	(900.00)	(700.00)
Surplus carried forward	500.50	449.43

2. PERFORMANCE

The gross sales and other income of the Company have increased from Rs. 212.77 Crores to Rs. 266.28 Crores showing an impressive growth of 25%. Operating Profits of the Company i.e. Profit Before Tax & Depreciation have increased from Rs. 19.43 Crores to Rs. 24.85 Crores registering a growth of 28%. Operating profits after providing depreciation of Rs. 5.94 Crores (Rs. 5.11 Crores) and taxation of Rs. 4.47 Crores (Rs. 2.69 Crores) leave a net profit of Rs. 14.44 Crores (Rs. 11.63 Crores).

The increase in sales has been achieved by utilizing optimum capacity at Tahlwal in H.P. and higher capacity utilization at other units. The company could procure sufficient raw material during the main procurement season leading to higher profitability for the year. Energy conservation measures have also considerably contributed to improve upon the profitability.

3. FUTURE PROSPECTUS

As required under the Corporate Governance, the Management Discussion and Analysis, forming part of this report, reflects the current state of affairs of business.

The expansion of Nizamabad Unit has been completed during the year and it is expected to contribute significantly to the sales of the Company in the running year. The Company expects an overall increase in its operations by over 20% during the current year.

4. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting the business with due compliance of all the applicable laws, rules and regulations. The company has duly implemented the system of Corporate Governance as per the requirements of the Listing Agreement. The detailed report appears in the Annexures forming part of this report.



5. DIVIDEND

The Directors are pleased to recommend a dividend @ 60% for the financial year ended 31st March, 2010 against 40% last year.

6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2A) of the Companies Act, 1956, the Directors confirm:

- (i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2010, the applicable Accounting Standards have been followed alongwith proper explanations relating to material departures;
- (ii) that 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) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ; and
- (iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2010 on a 'going concern' basis.

7. DEPOSITS

All the deposits have been timely renewed/repaid as per the provisions of Section 58-A of the Companies Act, 1956 and rules made thereunder. The company had no unclaimed/unpaid deposits on 31/03/2010.

8. SUBSIDIARY COMPANIES

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara : The company has maintained its performance and it is expected that it will perform reasonably well during the current year.
- (b) Sukhjit Finance Ltd., Phagwara : The operations of the company have been cut down substantially to ward off unnecessary losses.
- (c) Scott Industries Ltd., Phagwara : The company has started showing upward trend in sales as well as in profits and it will continue improving its performance in the current year.

9. CONTINGENT LIABILITY

Disputed Liabilities, not adjusted as expense in the accounts include Rs.15.93 crores (Rs. 14.85 Crores prev. year) on account of Central Excise Duty. The major item, consists of Rs. 15.90 crores (Rs. 14.80 crores Prev. Year) excluding penalty and interest on account of demands raised by Central Excise Department since 01.04.1997 alleging sale of Maize Starch as that of Modified Starch. The demand is totally baseless/frivolous since the chemical examiner of CENTRAL REVENUE LABORATORY has clearly held the product to be Maize Starch. Moreover, the product being manufactured by the company for the last over five decades has been sold as Maize Starch, accepted by the market as Maize Starch and classified as Maize Starch by the Department, itself, from time to time. Hon'ble High Court has since stayed the demand and the matter is subjudice.



10. PERSONNEL

Pursuant to Section 217 (2A) of the Companies Act, 1956, the details of the employees who were in receipt of remuneration over Rs. 24.00 lacs if employed throughout the year or Rs. 2.00 lacs p.m. if employed for a part of the year is given below -

(a) The Persons employed through out the year and were in receipt of remuneration aggregating not less than Rs. 2400000/- for the year :

No.	Name	Age	Designation	Gross Remuneration (Rs.)
1.	Sh. i.K. Sardana	64	Managing Director	41,09,750/-
2.	Sh. K.K. Sardana	62	Jt. Managing Director	36,69,979/-
3.	Sh. S.M. Jindal	78	Executive Director & Secretary	32,72,844/-

Qualification	Experience	Date of Joining	Last Employment/Designation Held
B.A.	44 Years	02.08.1967	The Sukhjit Starch & Chemicals Ltd., Phagwara Sales Manager
B.A.	39 Years	18.01.1972	The Sukhjit Starch & Chemicals Ltd., Phagwara G.M. (Commercial)
B.Sc., LL.B	51 Years	15.06.1960	The Sukhjit Starch & Chemicals Ltd., Phagwara Executive Director (Comm.) & Secretary

(b) The Persons employed for a part of the year and were in receipt of remuneration at a rate not less than Rs. 200000/- per month — Nil —

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

11. DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Shri A.K. Sardana and Shri Naresh Sardana retire by rotation and being eligible, the Board recommend their reappointment.

12. AUDITORS

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

13. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the co-operation received from the bankers and place on record their deep sense of appreciation for the devoted services of the executives, staff and workers of the Company for its success.

Yours truly,

For and on behalf of the Board,

S.K. ANAND

Chairman

Dated : 18th June, 2010



ANNEXURE 'A'

STATEMENT CONTAINING PARTICULARS PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

I. (A) POWER & FUEL CONSUMPTION	CURRENT YEAR	PREVIOUS YEAR
1. ELECTRICITY		
(a) Purchase Units – 000 KWH	32,642	30,533
Total Amount Rs. 000	1,37,158	1,21,129
Rate/Unit Rs.	4.20	3.97
(b) Own Generation		
(i) Through Diesel Generation		
– Units – 000 KWH	885	643
– Units per Ltr. of Diesel oil	3.25	3.25
– Cost/Unit Rs.	9.98	9.30
2. COAL (Steam Coal used on Boilers)		
Quantity (M. Tons)	22,608	19,286
Total Cost Rs. 000	93,837	80,497
Average Rate Rs./MT	4,150	4,174
3. OTHERS (Rice Husk / Fire Wood)		
Quantity (M. Tons)	24,686	23,737
Total Cost Rs. 000	65,165	59,558
Average Rate Rs./MT	2,640	2,509

(B) CONSUMPTION PER M.TON OF PRODUCTION

	STANDARD, if any	CURRENT YEAR	PREVIOUS YEAR
Production in M. Tons	Nil	1,42,772	1,28,600
Electricity–KWH/Ton.	Nil	229 *	237 *
Coal – Kgs/Ton.	Nil	158 *	150 *
Others – Rice Husk – Kgs/Ton.	Nil	173 *	185 *

(*) Variation due to change in product mix.

II. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

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

III. 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.

IV. EXPENDITURE ON R & D

The Company has spent about Rs. 34.60 Lacs during the year under reference (Rs. 25.80 Lacs during prev. year) in pursuit of improving the quality of products line, developing new products and improving their application.



V. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. The Foreign Exchange Earnings of the Company have been Rs. 3,48,54,304/- during the current year (Rs. 2,53,87,385/- during prev. year) on F.O.B. basis.
2. The Company has imported capital goods of Rs. 24,53,962/- (Rs. 74,95,703/- during prev. year) on C.I.F. basis, raw materials and consumables of Rs. 29,73,431/- (Rs. 1,37,582/- during prev. year) and incurred foreign travelling expenditure of Rs. 1,04,115/- (Rs. 1,20,526/- during Prev. Year).

ANNEXURE 'B' STATEMENT SHOWING SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956.

1. Name of the Company	The Vijay Steel & Gen. Mills Co. Ltd.	Sukhjit Finance Ltd.	Scott Industries Ltd
2. Holding Company's Interest	Holding 2,25,800 equity shares in the subscribed & fully paid up capital of 2,30,640 equity shares of Rs. 10/- each	Holding 46,12,100 equity shares in the subscribed & fully paid up capital of 49,50,000 equity shares of Rs. 10/- each	Holding 44,00,000 equity shares in the subscribed & fully paid up capital of 44,01,400 equity shares of Rs. 10/- each
3. Net aggregate amount of subsidiary company's profits less losses so far as it concerns the members of the holding company and is not dealt with, in company's accounts			
(a) For the year ended 31.3.2010	2,48,868	(30,88,043)	(2,76,676)
(b) For the previous financial years of the subsidiary of the company	1,64,682	(2,40,54,887)	(1,36,95,485)
4. Net aggregate amount of subsidiary company's profit less losses or vice versa dealt with or provided for in the company's accounts			
(a) For the company's financial year ended 31.3.2010	—	—	—
(b) For the previous financial years of the subsidiary since it became subsidiary	7,07,712	2,96,08,629	—



ANNEXURE 'C'

CORPORATE GOVERNANCE REPORT

In terms of revised clause 49 of the Listing Agreement with Stock Exchanges :

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY :

The company has always believed in good Corporate Governance, transparency, fair business, integrity, commitment to the values and other Standard Corporate Practices which help the company to maximise long term shareholders value and in building a bond of trust with its employees, customers, creditors, lenders and others. The company has always remained prompt and regular in discharging its statutory obligations and duties.

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 conduct and effective control over the affairs of the company. All the Directors, attending the Board and Committee meetings, actively participate in the proceedings and decisions are taken accordingly.

2. BOARD OF DIRECTORS :

The Board of Directors comprises a Non-Executive Independent Chairman, one Managing Director, One Joint Managing Director, one Executive Director, three Non Executive Directors and two Independent Directors. During the year twelve Board meetings were held on : 17.04.2009, 18.04.2009, 25.06.2009, 26.06.2009, 28.07.2009, 24.08.2009, 25.08.2009, 22.10.2009, 23.10.2009, 28.12.2009, 28.1.2010 & 29.01.2010.

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 the 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	9	-	-
Shri I.K. Sardana	Managing Director	12	3	3 (member)
Shri K.K. Sardana	Jt. Managing Director	12	3	-
Shri S.M. Jindal	Executive Director	12	3	-
Shri V.K. Sardana	Non Executive Director	10	1	-
Shri A.K. Sardana	Non Executive Director	6	-	-
Shri Naresh Sardana	Non Executive Director	4	-	-
Shri S.K. Anand	Independent Director	10	-	-
Shri V.P. Kapahi	Independent Director.	12	-	-

3. COMMITTEES OF THE BOARD

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

- (i) **Audit Committee :** The Audit Committee of the Company consists of three Independent Directors. The role of the Audit Committee covers the areas mentioned under clause 49 of the Listing Agreement and Section 292A the Companies Act, 1956 or other matters as may be referred by the Board of Directors from time to time. These, inter-alia, include to oversee the capital & revenue budget of the company, oversee the company's financial reporting process, review with the management the adequacy of internal control system, hold discussions with auditors about the internal control system and scope of audit including observations of the Auditors, review company's financial & risk management policies and review with the management the quarterly, half yearly & annual financial statements before submission to the Board.



ANNEXURE 'C'

The composition of the Audit Committee is given below :

Shri S.C. Jindal	Independent Chairman
Shri S.K. Anand	Independent Director
Shri V.P. Kapahi	Independent Director

Shri S.M. Jindal, Executive Director & Secretary of the Company acts as Secretary of the Committee.

(ii) Share Transfer Committee :

The details of Share Transfer Committee and their meetings are given below :

		Meetings held during the year	Meetings attended
Shri I.K. Sardana	Chairman	24	22
Shri K.K. Sardana	Member	24	17
Shri S.M. Jindal	Member	24	23

(iii) Shareholders/Investors Grievances :

The number of complaints received from the shareholders have been quite negligible during the year under reference. The Board has, however, appointed a Committee of Directors comprising of Shri A.K. Sardana as Chairman, Shri S.C. Jindal and Shri S.K. Anand, Members and Shri S.M. Jindal as Member / Secretary which redress the Investors Grievances or their complaints expeditiously.

(iv) Remuneration Committee :

The company has three Whole Time Directors on the Board whose appointment and remuneration have been fixed by the Board in terms of resolution passed by the members in general meetings as per schedule XIII to The Companies Act, 1956. However, the Board has constituted a Remuneration Committee comprising of Shri S.K. Anand as Chairman, Shri S.C. Jindal and Shri V.P. Kapahi as members, all independent directors of the company to decide/review the remuneration of the whole-time Directors as per provisions of The Companies Act 1956.

Remuneration paid to the Executive Directors during the financial year is given below :-

Name	Salary	Commission	Perquisite Value	Retirement Benefits	{Amount in Rs.}
					Total
Sh. I.K. Sardana	20,16,000	9,37,683	9,78,947	1,77,120	41,09,750
Sh. K.K. Sardana	20,32,000	9,37,683	5,22,456	1,77,840	36,69,979
Sh. S.M. Jindal	20,32,000	9,37,684	1,25,320	1,77,840	32,72,844

Remuneration Paid to Non Executive Directors :

The company has been paying commission @ 1% of the net profits of the company, computed under section 349/350 of the Companies Act, 1956 for the last many years as per necessary approval/sanction obtained at that time and approval of the shareholders obtained by way of special resolution in the last Annual General Meeting for continuation of the same. Non Executive Directors are also paid Sitting Fee @ Rs. 2,500/- per meeting besides out of pocket expenses / travelling expenses incurred in connection with attending the said meetings. The Company does not have any Stock Option Scheme.

4. GENERAL BODY MEETINGS

The details of location and time for the last three Annual General meetings are given below:

Date	Location	Time
12/09/2007	Regd. Office, Phagwara	10.00 A.M.
27/08/2008	Regd. Office, Phagwara	10.00 A.M.
25/08/2009	Regd. Office, Phagwara	10.00 A.M.



ANNEXURE 'C'

5. Disclosures regarding materially related party transactions :

No transaction of material nature has been entered into by the Company with its Promoters, Directors, Relatives or the Management which could have potential conflict with the Interest of the company. However, the transactions with related parties in ordinary course of business, in terms of AS-18, are given as per point No. 10 of the Schedule T-1 (Notes to Accounts) forming part of this Annual Report.

6. Means of Communication :

Quarterly / six monthly results of the company alongwith the notice of the Board Meetings for approval of the Unaudited financial results were published during the financial year under review as per requirements of the Listing Agreement. Quarterly compliance reports, Demat Status Reports, Shareholding Pattern & other required information were duly communicated / submitted to the Stock Exchange within the prescribed time.

7. 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
- (ii) Sukhjit Starch Mills
Armour Road, Mubarak Nagar,
Nizamabad (A.P.)
Phone No. (08462) 239102, 238622
Fax No. (08462) 239330
E-mail : sukhjit.starch@gmail.com
- (iii) Sukhjit Starch Industries
WBIDC Growth Centre,
N.H. 34, Narayanpur,
MALDA (W.B.)
Phone No. (03512) 263027, 263029
Fax No. (03512) 263026
E-mail : sukhjitmalda@gmail.com
- (iv) Sukhjit Agro Industries
Village Bathu (Gurplah)
Tehsil Haroli, Distt. UNA (H.P.)
Phone No. (01975) 257311, 257314
Fax No. (01975) 257312
E-mail : sukhjitaagro@gmail.com



ANNEXURE 'C'

B. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting Date, Time & Place : 9th August, 2010, 10.00 A.M. at the Registered Office of the Company at Phagwara.
- (b) Financial Year : 2010-2011
- (c) Date of Book Closure : 31st July, 2010 to 9th August, 2010. (both days inclusive)
- (d) Dividend Payment : Within Statutory period
- (e) Listing on Stock Exchange : Bombay Stock Exchange
- (f) Stock Code : 524542
- (g) Registrars & Share Transfer Agents : The Share Transfers are done by M/s. Skyline Financial Services (Pvt.) Ltd., 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi and approved by Share Transfer Committee of the Company
- (h) Dematerialisation of Shares : The Company's Equity shares are held in dematerialised form by NSDL & CDSL. 3370010 shares i.e. 45.67% of equity capital has been dematerialised as on 31.03.10.
- (i) Address for Correspondence : The Sukhjit Starch & Chemicals Ltd.
Sarai Road, Phagwara (Pb.)
Ph. : (01824) 468800, 260216, 260314
Fax : (01824) 261669, 262077
E-mail : sukhjit@sukhjitgroup.com

(j) Distribution of Shareholding as on 31.3.2010

Category	No. of Shares	Percentage
1. Promoters	41,85,473	56.72%
2. Banks, Financial Institutions, Govt. institutions etc.	44,898	0.61%
3. Corporate Bodies	1,71,898	2.33%
4. NRIs/OCBs	7,510	0.10%
5. General Public	29,70,041	40.24%
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>



ANNEXURE 'C'

(k) Market Price Data : High low quotations on the Bombay Stock Exchange during each month for the year 2009-2010 & performance in comparison to BSE Index :

Month	MARKET PRICE (RS.)		BSE INDEX	
	High	Low	High	Low
April, 2009	116.00	97.00	11492.10	9546.29
May, 2009	128.00	88.00	14930.54	11621.30
June, 2009	119.70	86.00	15600.30	14016.95
July, 2009	109.95	95.00	15732.81	13219.99
Aug., 2009	110.00	92.00	16002.46	14684.45
Sept., 2009	105.00	92.10	17142.52	15356.72
Oct., 2009	122.95	90.00	17493.17	15805.20
Nov., 2009	102.00	88.25	17290.48	15330.56
Dec., 2009	122.95	93.20	17530.94	16577.78
Jan., 2010	130.00	98.05	17790.33	15982.08
Feb., 2010	130.00	106.00	16669.25	15651.99
March, 2010	141.00	112.00	17793.01	16348.45

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT : Corn Processing Industry, in India, has shown remarkable growth in the last couple of years. The momentum is expected to sustain for some more years to come owing to increasing and versatile use of Starch and its derivatives. The Indian Starch Industry is still at a nascent stage and deriving around 40 products from Corn whereas more than 500 products of Starch and Starch derivatives are being derived in the international arena. The size of the industry is also negligible compared to the international market. However, profits may tend to fluctuate from year to year due to erratic availability of basic raw material i.e. Maize being an agricultural produce, which suffers from natural vagaries.

OPPORTUNITIES & THREATS : The per capita production and consumption of Starch is still much lower. An alternate use and increasing demand for corn sugars (one of the derivatives of Starch) may also give good fillip to Starch industry in the country. There is reasonably considerable potential for the higher growth. However, raw material availability and wide fluctuation in the prices continue impacting the profitability of the industry. Higher cost and shortage of basic raw material may impede growth of the industry due to cheaper imports of starch and its derivatives from the neighbouring countries.



ANNEXURE 'C'

OUTLOOK : The company continues to remain on the fore-front of the Starch Industry from efficiency and productivity point of view.

The company was the first to start Multi-locational Strategy and is presently having full-fledged manufacturing locations at four different locations to have logistic advantages in respect of raw material procurement and supply of finished goods to the customers at lower freight. This has helped the Company to mitigate major risks to our industry in terms of raw material procurement, locational or geographical risks. The company enjoys Impeccable level of integrity and enviable goodwill amongst its customers having long term business relationship with leading multi nationals/Indian corporates like Wrigley India Ltd., Dabur India Ltd., Perfetti India Ltd , Godrej, Parle, Hindalco, Cadbury, Ballarpur Industries Ltd. and others.

The company has already commissioned expansion of its Nizamabad Unit and increased capacity is significantly expected to contribute to the overall turnover and profitability of the company. It is expected that turnover of the company will increase by over 20% in the running year with reasonable profits

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY : The company has an effective Internal Control System which duly commensurates with its size and nature of business. The system duly ensures that all the transactions are properly authorised, recorded and reported correctly. The Management continuously reviews the system to carry out various operations of the company transparently, effectively and efficiently, with due protection for the Company's Assets. The system also ensures due compliance of all the Acts, laws and statutory regulations as applicable to the company.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS : The Sales of the Company have increased both in volumes and in value. The company has been assigned the highest rating i.e. PR1 (PR One) for its short term bank facilities by M/s. Credit Analysis & Research Ltd. (CARE). Strong emphasis has been placed on the Working Capital Management of the Company with stringent controls over funds deployment, timely collection of customer's outstanding and effective control over procurement of raw material. The company has enjoyed good credit rating i.e. highest health code with its bankers over the years. The working capital management, in fact, derives its major strength from self generated cash flows duly supplemented with the Capacity to have easy access to the necessary credit at competitive cost.

HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS : Your company's industrial relations continued to be harmonious during the year under reference. The company believes that the quality of employees and level of motivation largely contribute to the overall success of any business enterprise in the long run. Your company conducts regular in-house training programmes for employees, at all levels, with major thrust on maintaining high level of motivation and on leadership development providing good professional environment in order to equip them with necessary drive and skill in their respective functional areas.

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 and 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 (Maize) which is an agriculture produce.



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, 2010.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

Place : Phagwara
Dated : 18th June, 2010

(I.K. SARDANA)
Managing Director

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, 2010 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, 2010, 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**

Place : Jalandhar.
Dated : 18th June, 2010

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



AUDITORS' REPORT

To
The Members of
The Sukhjit Starch & Chemicals Limited
Phagwara

We have audited the attached Balance Sheet of The Sukhjit Starch & Chemicals Ltd. as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows :

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in Annexure referred to in paragraph 1 above :
 - (a) We have 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 accounts as required by law have been kept by the Company so far as appears from our examination of the books of accounts;
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts;
 - (d) In our opinion, the Balance Sheet, the Profit & Loss Account and Cash Flow Statement of the company comply with the Accounting Standards as referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956, to the extent applicable;
 - (e) On the basis of the written representations received from the Directors, and taken on record by the Board of Directors, we report that none of the Directors of the company are disqualified as on 31st March 2010 from being appointed as a Director under clause (g) of the Sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with significant Accounting Policies and Notes forming part of accounts, give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India ;
 - i. In the case of the Balance Sheet, of the state of the affairs of the company as at 31st March 2010.
 - ii. In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date and
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on the date.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Place : Jalandhar.
Dated : 18th June, 2010

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



AUDITORS' REPORT

ANNEXURE TO THE AUDITORS' REPORT :

Annexure to our report of even date to the Members of The Sukhjit Starch & Chemicals Ltd. Phagwara Referred to in Paragraph 1 of our report of even date.

1. In respect of its Fixed Assets :
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As per information given to us the assets have been physically verified by the management at reasonable intervals. The discrepancies noticed on such verifications were not serious and have been properly dealt with in the books of accounts.
 - (c) No substantial part of fixed assets have been disposed off during the year and therefore, do not effect the going concern assumption.
2. (a) Stock of finished goods, stores, spare parts and raw materials have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book recorded were not material.
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 301 of the Companies Act, 1956.
4. The Company has adequate internal control procedure commensurate with the size of the company and nature of its Business with regard to purchase of stores, raw material including components, plant and machinery, equipment and other assets, and for sale of goods. We have not come across any major weakness in internal control.
5. In our opinion and according to the information and explanations given to us, no transaction has taken place with any firm or companies in which the directors are interested, as envisaged under section 301 of Companies Act, 1956
6. 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 Section 58A/58AA of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from public.
7. In our opinion, the company has Internal Audit System commensurate with the size and nature of its business.
8. As informed to us the Central Govt. has not prescribed the maintenance of cost records by the company under section 209(1) (d) of the companies Act, 1956.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, service tax, cess and other material statutory dues applicable to it.



AUDITORS' REPORT

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (c) The Excise Department has served upon the company, a Show Cause Notice for the clearance of The Maize Starch alleging the same to be classified as Modified Starch and has raised demands amounting to Rs.15.90 crores since 01.04.1997. The company explained that the said demands are totally baseless/frivolous and has challenged the alleged demands with the Hon'ble High Court of Punjab & Haryana which has since stayed the operation of demand Show Cause Notice.
10. The company does not have accumulated losses at the end of the financial year. The company has not incurred any cash loss during the financial year covered by our audit or during the immediately preceding financial year.
 11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.
 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The company is not chit fund or a nidhi/Mutual benefit fund/Society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
 14. Based on our examination of records and evaluation of related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts and timely entries have been made therein in respect of company's activities relating to trading/dealing in shares, securities and other investments and these have been held by the company in its own name.
 15. The company has not given guarantees for loans taken by others from bank or financial institutions.
 16. The term loans have been applied for the purpose for which they were obtained.
 17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
 18. The company has not made any preferential allotment of shares during the year to parties and companies covered in the register maintained under Section 301 of the Company Act, 1956.
 19. The company has not issued any debentures during the year and therefore the question of creating security in respect thereof does not arise.
 20. The company has not raised any money by way to public issue during the year.
 21. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

Place : Jalandhar
Dated : 18th June, 2010

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



BALANCE SHEET AS ON 31ST MARCH, 2010

SOURCES OF FUNDS	SCHEDULE NO.	AS ON 31.3.2010 RS.	AS ON 31.3.2009 RS.
SHAREHOLDERS' FUNDS			
(a) Share Capital	A	7,37,98,200	7,37,98,200
(b) Reserves & Surplus	B	<u>93,17,11,769</u>	<u>83,66,04,441</u>
		1,00,55,09,969	9,10,40,2641
LOAN FUNDS			
(a) Secured Loans	C	55,21,76,641	37,68,41,791
(b) Unsecured Loans	D	<u>17,14,84,502</u>	<u>18,18,93,333</u>
		72,36,61,143	55,87,35,124
DEFERRED TAX LIABILITY		6,76,78,354	6,14,78,354
TOTAL FUNDS		<u>1,79,68,49,466</u>	<u>1,53,06,16,119</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block		1,31,30,90,970	1,14,69,99,338
(b) Less : Depreciation		38,09,34,599	32,15,65,543
(c) Net Block	E	93,21,56,371	82,54,33,795
(d) Capital Work In Progress	F	<u>2,29,77,064</u>	<u>7,08,34,546</u>
		95,51,33,435	89,62,68,341
INVESTMENTS		13,04,73,088	15,31,53,274
A. CURRENT ASSETS,			
LOANS & ADVANCES			
(a) Inventories	H	57,28,88,425	34,49,45,629
(b) Sundry Debtors	I	26,52,47,339	19,68,76,619
(c) Cash & Bank Balances	J	1,89,08,184	3,84,98,598
(d) Loans & Advances	K	<u>12,18,80,137</u>	<u>12,48,01,140</u>
		97,89,24,085	70,51,21,986
B. CURRENT LIABILITIES & PROVISIONS			
(a) Liabilities	L	18,84,08,201	16,49,09,486
(b) Provisions	M	<u>7,92,72,941</u>	<u>5,90,17,996</u>
		26,76,81,142	22,39,27,482
NET CURRENT ASSETS (A - B)		71,12,42,943	48,11,94,504
TOTAL ASSETS		<u>1,79,68,49,466</u>	<u>1,53,06,16,119</u>
NOTES ON ACCOUNTS		T	

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

For The Sukhjit Starch & Chemicals Ltd.

M. G. Sharma
Executive Director & Secretary

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE NO.	FOR THE YEAR ENDED 31.3.2010 (RS.)	FOR THE YEAR ENDED 31.3.2009 (RS.)
INCOME			
1. Gross Sales	N	2,65,51,53,277	2,11,69,52,663
2. Less Excise Duty	N1	(6,97,45,763)	(9,07,90,023)
3. Net Sales		2,58,54,09,514	2,02,61,62,640
4. Other Income	N2	78,78,873	1,07,89,945
Total Income		2,59,30,08,387	2,03,69,52,585
EXPENDITURE			
5. Consumption of Materials	O	1,72,82,71,660	1,32,06,78,015
6. Manufacturing Expenses	P	33,42,75,537	28,36,47,933
7. Payments to and Provisions for Employees	Q	12,62,99,420	11,26,79,291
8. Administrative, Selling & Other Expenses	R	8,47,29,524	7,16,58,170
9. Financial Charges	S	7,09,76,415	5,39,92,709
10. Depreciation	E	5,94,02,472	5,11,45,890
TOTAL EXPENDITURE		2,40,39,53,028	1,89,38,02,008
11. Profit Before Tax		18,91,33,359	14,31,50,577
12. Provision for Taxation :			
- Current Tax	3,85,00,000		2,34,00,000
- Deferred Tax	62,00,000		26,00,000
- Fringe Benefit Tax	-		9,00,000
		4,47,00,000	2,69,00,000
13. Profit after Tax		14,44,33,359	11,62,50,577
14. Add/(Less) Taxes Relating to Previous Years		23,07,621	(1,97,632)
15. Add Surplus Brought Forward		4,49,43,275	3,34,26,415
16. Surplus Available for Appropriation		19,16,84,255	14,94,79,360
17. APPROPRIATIONS			
(a) Proposed Dividend		4,42,78,920	2,95,19,280
(b) Corporate Tax on Dividend		73,54,729	50,16,802
(c) General Reserve		9,00,00,000	7,00,00,000
(d) Surplus Carried Forward		5,00,50,606	4,49,43,278
18. NOTES ON ACCOUNTS	T		
Basic Earning per Share (Rs.)		19.88	15.73
Diluted Earning Per Share (Rs.)		19.88	15.73
Face Value Per Share (Rs.)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

L.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B Com., F.C.A.,
Prop
Memb. No. 16875
Place, Jalandhar
Dated: 18th June, 2010

For The Sukhjit Starch & Chemicals Ltd.

Executive Director & Secretary

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



SCHEDULES FORMING A PART OF BALANCE SHEET AS ON 31ST MARCH, 2010

	AS ON 31.3.2010 RS.	AS ON 31.3.2009 RS.
SCHEDULE-A		
SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of Rs. 10/- each fully paid up including 58,83,799 Equity Shares of Rs. 10/- each allotted as Bonus Shares by Capitalisation of Reserves	<u>7,37,98,200</u>	<u>7,37,98,200</u>
	<u>7,37,98,200</u>	<u>7,37,98,200</u>
SCHEDULE-B		
RESERVES & SURPLUS		
CAPITAL RESERVE		
Capital Subsidy :	2,68,28,520	2,68,28,520
SHARE PREMIUM		
	87,14,450	87,14,450
GENERAL RESERVE		
As per Last Balance Sheet	75,61,18,193	68,61,18,193
Add : Set aside during the year	<u>9,00,00,000</u>	<u>7,00,00,000</u>
	84,61,18,193	75,61,18,193
PROFIT & LOSS ACCOUNT		
	<u>5,00,50,806</u>	<u>4,49,43,278</u>
	<u>93,17,11,789</u>	<u>83,66,04,441</u>
SCHEDULE-C		
SECURED LOANS		
PUNJAB NATIONAL BANK		
(i) Cash Credit		
(a) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	38,85,03,352	20,10,01,175
(b) Secured against Book Debts	11,99,31,500	8,66,02,932
(c) DD Credit	-	9,00,000
Secured against Cheques/Demand Drafts		
(ii) Term Loan		
Secured against hypothecation of Plant & Machinery, Building, other fixed assets of Gurplah unit and Equitable Mortgage of Factory Land of that unit	<u>4,37,41,789</u>	<u>8,83,37,684</u>
	<u>55,21,76,641</u>	<u>37,68,41,791</u>
SCHEDULE-D		
UNSECURED LOANS		
Fixed Deposits (Includes Rs. 69,46,000/- from Directors, previous year Rs. 52,38,000/-)	16,10,94,000	17,01,34,000
Interest Payable thereon (including interest payable on cumulative deposits)	98,78,061	1,15,52,790
Other Loans & Advances	5,12,441	2,06,543
	<u>17,14,84,502</u>	<u>18,18,93,333</u>



SCHEDULES FORMING A PART OF BALANCE SHEET AS ON 31ST MARCH, 2010

	AS ON 31.3.2010 RS.	AS ON 31.3.2009 RS.
SCHEDULE-G		
INVESTMENTS		
Holiday Home/Clubs	65,000	65,000
LONG TERM UN-QUOTED FULLY PAID		
1. SUBSIDIARIES		
(i) The Vijay Steel & General Mills Co. Ltd. 2,25,800 Shares of Face Value Rs. 10/- each	21,30,054	21,30,054
(ii) Sukhjit Finance Ltd. 46,12,100 Shares of Face Value Rs. 10/- each	2,63,09,332	2,63,09,332
(iii) Scott Industries Ltd. 44,00,000 Shares of Face Value Rs. 10/- each	4,40,00,000	4,40,00,000
	7,24,39,386	
2. OTHERS-UNQUOTED		
(a) National Saving Certificates	7,750	7,750
(b) Tata Capital Ltd.		
20 Non-Convertible Debentures (Prev. Year Nil) of Face value of Rs. 500000/- per debenture	1,03,00,479	-
(c) NIFG Canara Robeco Infrastructure Growth Fund 93095.4228 units (Prev. Year Nil) of face value Rs. 10 per unit	24,00,000	24,00,000
(d) Reliance Equity Opportunity Fund 174654.185 units (Prev. Year Nil) of Face value Rs. 10 per unit	50,00,000	-
(e) UTI GILT Advantage Fund Long term plan - Dividend Reinvestment 3217321.591 units (Prev. year 5162807.95 units) of Face value Rs. 10 per unit	4,02,60,473	6,50,00,000
(f) DSP Merrill Lynch Technology.com Fund Nil (Prev. Year 1,00,000 units) of Face value Rs. 10 per unit	-	32,41,138
(g) UTI Fixed Term Income Fund Nil (Prev. Year 10,00,000 units) of Face value Rs. 10 per unit	-	1,00,00,000
	5,79,68,702	
TOTAL	<u>13,04,73,088</u>	<u>15,31,53,774</u>
SCHEDULE-H		
INVENTORIES		
Stores, Spares, Fuel & Other	7,04,35,204	6,73,09,952
Raw Materials (at cost or Net realisable value whichever is lower)	19,60,987	13,07,818
Loose Tools (at cost or Net realisable value whichever is lower)	43,42,26,117	20,62,20,710
Raw Materials (Basic) (at cost or Net realisable value whichever is lower)	3,30,38,625	2,94,88,624
Stock In Process (at cost or Net realisable value whichever is lower)	3,32,27,462	4,06,18,525
Finished Goods (at cost or Net realisable value whichever is lower)	<u>57,28,88,425</u>	<u>34,49,45,629</u>


SCHEDULES FORMING A PART OF BALANCE SHEET AS ON 31ST MARCH, 2010

	AS ON 31.3.2010 RS.	AS ON 31.3.2009 RS.
SCHEDULE-I		
SUNDRY DEBTORS		
Unsecured - Over Six months		
Considered Good	29,16,299	43,92,646
Considered Doubtful	<u>42,52,331</u>	42,65,389
	71,68,630	
- Others	<u>25,80,78,709</u>	18,82,18,584
	<u>26,52,47,339</u>	<u>19,68,76,619</u>
SCHEDULE-J		
CASH & BANK BALANCES		
Cash in Hand	15,79,819	7,39,266
Balance with Scheduled Banks in :		
Current Accounts	1,34,54,684	1,41,68,615
Fixed Deposit Accounts	11,29,459	2,08,72,126
Margin Accounts	<u>27,44,222</u>	27,18,591
	1,73,28,365	3,77,59,332
	<u>1,89,08,184</u>	<u>3,84,98,598</u>
SCHEDULE-K		
LOANS & ADVANCES		
Recoverable in cash or in kind or for value to be received-		
Considered Good	9,68,27,885	9,22,71,671
Income Tax in advance	12,77,86,772	11,01,97,470
Provision for Taxation	<u>(12,81,90,000)</u>	(10,25,45,000)
	(4,03,228)	76,52,470
Security/Other Deposits	1,39,95,858	1,34,38,521
Prepaid Expenses	19,86,596	20,48,434
Interest & Other Recoverables	94,73,026	93,90,044
	12,18,80,137	12,48,01,140
SCHEDULE-L		
CURRENT LIABILITIES		
Sundry Creditors for Goods Supplied	6,91,50,974	8,54,68,236
Sundry Creditors for Expenses (including Directors' Commission of Rs. 46,88,417/- previous year Rs. 35,29,448/-)	2,68,11,382	2,36,05,557
Other Creditors	7,76,70,374	4,04,70,853
Dividend Payable	44,18,869	43,63,972
Taxes payable	45,26,341	48,00,607
Security Deposits	<u>58,30,261</u>	62,00,261
	18,84,08,201	16,49,09,486
SCHEDULE-M		
PROVISIONS		
Proposed Dividend	4,42,78,920	2,95,19,280
Corporate Tax on Dividend	73,54,729	50,16,802
Provision for Gratuity	<u>2,76,39,292</u>	2,44,81,914
	7,92,72,941	5,90,17,996



SCHEDULES FORMING A PART OF BALANCE SHEET AS ON 31ST MARCH, 2010

	FOR THE YEAR ENDED 31.3.2010 RS.	FOR THE YEAR ENDED 31.3.2009 RS.
SCHEDULE-M		
SALES & OTHER INCOME		
Starches	76,11,14,364	52,83,55,723
Dextrines & Textulose	13,40,08,912	12,79,64,819
Glucose	94,89,83,095	79,34,11,731
Sorbitol	21,61,27,130	22,68,14,902
By-products	48,70,68,093	40,42,63,684
Misc. Sales	6,78,55,883	3,61,41,604
	<u>2,65,51,55,277</u>	<u>2,11,69,52,663</u>
SCHEDULE-N 1		
EXCISE DUTY		
Excise Duty Paid	6,97,32,904	9,04,17,454
Less : Excise Duty on Closing Stock	(86,322)	(81,181)
Add : Excise Duty on Opening Stock	81,181	4,53,750
	<u>6,97,45,763</u>	<u>9,07,90,023</u>
SCHEDULE-N 2		
OTHER INCOME		
Rent Received	5,28,000	4,37,600
Interest & Dividend Received	22,83,483	65,30,334
Misc. Income	31,40,725	17,34,362
Profit on Sale of Assets/Units	17,26,685	20,87,649
	<u>76,78,873</u>	<u>1,07,89,945</u>
SCHEDULE-O		
CONSUMPTION OF MATERIALS		
Opening Stock		
Finished Goods	4,06,18,525	3,57,56,677
Raw Materials (Basic)	20,62,20,710	24,90,55,811
Stock in Process	<u>2,94,88,624</u>	<u>2,72,30,832</u>
	27,63,27,859	31,20,43,320
Purchase of Basic Raw Materials	1,77,89,27,990	1,10,83,19,687
	<u>2,05,52,55,849</u>	<u>1,42,03,63,007</u>
Less : Closing Stock		
Finished Goods	3,32,27,492	4,06,18,525
Raw Materials (Basic)	43,42,26,117	20,62,20,710
Stock in Process	<u>3,36,38,625</u>	<u>2,94,88,624</u>
	50,10,92,234	27,63,27,859
Effective Consumption of Basic Raw Materials	1,55,41,63,615	1,14,40,35,148
Other Raw Materials, Consumables & Stores	17,41,08,045	17,66,42,867
	<u>1,72,82,71,660</u>	<u>1,32,06,78,015</u>
SCHEDULE-P		
OTHER MANUFACTURING EXPENSES		
Power and Fuel & Others	30,78,50,372	25,97,18,824
Machinery Repair	2,16,72,736	1,81,18,355
Cartage	47,52,429	58,10,754
	<u>33,42,75,537</u>	<u>28,36,47,933</u>



SCHEDULES FORMING A PART OF BALANCE SHEET AS ON 31ST MARCH, 2010

SCHEDULE-Q	FOR THE YEAR ENDED 31.3.2010	FOR THE YEAR ENDED 31.3.2009
	RS.	RS
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salary, Wages, Bonus & Gratuity (including Rs. 60,80,000/- to Directors prev. year Rs. 48,12,000/-)	10,87,90,430	9,63,67,571
Cont. to PF, ESI, Superannuation & Other Funds (including Rs. 5,32,800/- to Directors prev. year Rs. 4,77,840/-)	91,71,200	84,53,729
Workmen & Staff Welfare	83,37,790	78,57,991
	<u>12,62,99,420</u>	<u>11,26,79,291</u>
SCHEDULE-R		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Printing & Stationary	9,69,051	9,82,622
Professional/Legal Expenses	17,12,619	15,06,207
Directors' Fee	1,30,000	1,15,000
Directors' Travelling Expenses	2,79,877	3,68,152
Travelling Expenses	91,84,186	81,70,138
Auditors' Remuneration	3,18,484	3,14,317
Rent Paid	19,11,031	13,82,603
Electricity & Water Charges	8,38,200	4,47,449
Entertainment	3,74,463	3,60,138
Postage, Telegram & Telephones	22,16,385	22,60,652
Advertisement	8,14,364	6,12,731
Subscription	8,00,353	3,34,698
General Charges	5,89,440	2,63,300
Insurance Expenses	24,79,252	21,71,168
Building Repair	39,85,471	40,60,799
Other Repairs & Maintenance	12,62,968	10,99,928
Commission & Brokerage	2,73,40,960	2,14,66,450
Taxes & Other Govt. Levies & Fees	19,76,901	16,72,274
Rebate & Discount	75,98,424	69,97,728
Charity & Donation	13,34,771	3,03,863
Carriage & Forwarding Charges	1,39,25,906	1,31,91,977
Mg. Director & Wholetime Directors' Commission	28,13,050	21,17,669
Other Directors' Commission	18,75,367	14,11,779
Bad Debts Written Off	-	46,528
	<u>8,47,29,524</u>	<u>7,16,58,170</u>
SCHEDULE-S		
FINANCIAL CHARGES		
Interest - On Term Loans/Deposits (including Rs. 8,33,790/- paid to Directors prev. year Rs. 8,10,418/-)	2,33,38,038	2,33,96,677
- On Other Accounts	4,67,78,557	2,98,69,678
Bank Charges	8,59,620	7,26,354
	<u>7,09,76,415</u>	<u>5,39,92,709</u>



SCHEDULES TO THE ACCOUNTS

**SCHEDULE-E
FIXED ASSETS AS ON 31ST MARCH, 2010**

Amount (Rs.)

ASSETS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENT	VEHICLES	TOTAL	PREVIOUS YEAR
COST								
Cost as on 1.4.2009	9,71,84,371	26,87,38,916	1,40,07,921	69,54,79,545	5,26,76,760	1,87,11,825	1,14,69,99,338	1,03,94,29,790
Additions	60,00,279	3,05,26,601	14,88,703	72,30,02,127	32,99,027	18,90,111	16,61,96,848	11,91,41,313
Sale/Adjustments	-	-	-	50,358	-	54,858	1,05,216	1,15,71,765
Total as on 31.3.2010	10,31,84,650	29,92,65,517	1,54,96,624	81,84,31,314	5,61,75,787	2,05,37,078	1,31,90,90,970	1,14,69,99,338
DEPRECIATION								
Upto 31.3.2009	-	7,58,63,204	72,23,725	20,77,02,423	2,07,67,247	1,00,06,944	32,15,65,543	28,05,85,026
For the Year	-	1,44,32,119	14,08,559	3,61,93,901	49,00,100	24,67,713	5,94,02,472	5,11,45,890
On Sale/Adjustments	-	-	-	887	-	32,529	33,416	1,01,65,373
Upto 31.3.2010	-	9,02,95,323	86,32,284	24,38,95,517	2,56,67,347	1,24,44,128	38,09,34,599	32,15,65,543
NET VALUE								
As on 31.3.2010	10,31,84,650	20,89,70,194	68,64,340	57,45,35,797	3,05,08,440	80,92,950	93,21,56,371	82,54,33,795
As on 31.3.2009	9,71,84,371	19,28,75,712	67,84,196	48,77,77,122	3,21,09,513	87,02,881	82,54,33,795	
SCHEDULE-F								
CAPITAL WORK IN PROGRESS								
Building Under Construction			AS ON 31.3.2010		AS ON 31.3.2009			
Machinery Under Erection			36,56,332		1,52,56,949			
Furniture			1,70,29,654		4,95,13,166			
Advances for Capital Goods			55,738		4,47,114			
Electric installation under erection			22,35,540		49,78,548			
			-		6,38,769			
			<u>2,29,77,064</u>		<u>7,08,34,546</u>			



SIGNIFICANT ACCOUNTING POLICIES

1. **METHOD OF ACCOUNTING**
The company maintains its financial statements on an accrual basis and in accordance with the historical cost convention, generally accepted accounting practices and applicable Accounting Standards as well as the relevant provisions of The Companies Act, 1956. However, certain escalations/claims which are not ascertainable or unacknowledged, are accounted for on their being acknowledged.
2. **FIXED ASSETS**
The fixed assets are accounted for at their original cost included duties, taxes, freight and incidental 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. **DEPRECIATION**
Depreciation on addition to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.
4. **INVESTMENTS**
Investments are valued at cost. Profit and loss are recognised as income or expenditure on their transfer. Long Term Investments are stated at cost less other than temporary diminution, if any, in value.
5. **INVENTORY**
Raw materials, stores and spares, packing material, components, stock in process, finished goods, bye products and goods held for resale are valued at lower of cost and net realisable value.
6. **EMPLOYMENT BENEFITS**
The contribution to Provident and Superannuation Funds are accounted on actual liability basis. Gratuity provisions/contributions are made on actuarial valuation basis.
7. **REVENUE RECOGNITION**
 - (a) Sales are inclusive of Excise Duty wherever applicable.
 - (b) Income on investment from dividend/interest are recognised on the basis of declaration or accrual thereof.
8. **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.
9. **RESEARCH & DEVELOPMENT EXPENSES**
Expenses on research & development are charged off as and when incurred.
10. **TAXATION**
 - (i) Provision for current tax is made and retained 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.
11. **GOVERNMENT GRANTS**
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.
12. **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.



SCHEDULE-T-I NOTES ON ACCOUNTS

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. Contingent Liabilities not provided for include :
 - (i) **Bank Guarantees** issued for Rs. 113.80 lacs (Prev. Year Rs. 93.32 lacs) in favour of West Bengal State Electricity Board for power connection of Malda Unit, Himachal Pradesh State Electricity Board for power connection of Gurplah unit, Commissioner of Customs / Jt. Director of Foreign Trade for Import of machinery under EPCG licence and Excise & Taxation Officer for sale tax subsidy of Gurplah unit.
 - (ii) **Central Excise Duty** : Disputed liabilities not adjusted as expenses in the accounts include Rs. 15.93 crores (Prev. year Rs. 14.85 crores) on account of Central Excise Duty in appeals. The major item consists of Rs. 15.90 crores (Prev. year 14.80 crores) excluding penalty & interest on account of the demands raised by the Central Excise Department since 1.4.1997 against sale of moize starch disputing the classification thereof. The company has challenged the demand before the Hon'ble High Court which has since been stayed by the Hon'ble High Court and the matter is subjdice.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : Rs. 50.31 lacs (Prev. year Rs. 289 lacs)
 - (iv) Export obligation pending to be fulfilled is US\$ 76,203.20 (Prev. year US\$ 66,332) under the EPCG scheme of the Central Government on account of custom duty saved on Import of capital goods at concessional rates.
3. Buildings of the company at Makda and partly at Phagwara are built on leased land.
4. National Saving Certificates of Rs. 7,750/- (Prev. year Rs. 7,750/-) are pledged to the Govt. authorities as security.
5. Loans and advances includes Rs. 645.11 lacs (Prev. year Rs. 575.57 lacs) due from the subsidiary companies.
6. Deferred tax has been provided in accordance with the Accounting Standard 22-Accounting for Taxes on Income issued by The Institute of Chartered Accountants of India.
7. Based on information available with the Company, there are no dues to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 and there are no dues to Small scale Industrial Undertakings for more than 30 days as at March 31, 2010.
8. Earnings per share :

	2009-10	2008-09
(a) Net profit after tax available for Equity shareholders (Rs. in Lacs)	1467.41	1160.53
(b) Weighted average number of Equity Shares having face value of Rs. 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic earnings per share Rs. 10/- each (Rs.) (a/b)	19.88	15.73
(d) Diluted earnings per share Rs. 10/- each (Rs.) (a/b)	19.88	15.73
9. Related Party Disclosures :
 - (a) List of related parties / Relationships :

SUBSIDIARY COMPANIES

(i) The Vijoy Steel & General Mills Co. Ltd.	:	Subsidiary
(ii) Sukhjit Finance Ltd.	:	Subsidiary
(iii) Scott Industries Ltd.	:	Subsidiary

KEY MANAGEMENT PERSONNEL

 - (i) Mr. I.K. Sardana
 - (ii) Mr. K.K. Sardana
 - (iii) Mr. S.M. Jindal



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

(Amount Rs. in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Total
Rent Paid		4.63 (4.20)	4.63 (4.20)
Directors Remuneration		110.52 (87.78)	110.52 (87.78)
Rent received	0.84 (0.37)		0.84 (0.37)
On account of sales	31.39 (81.54)		31.39 (81.54)
On account of Purchases	151.20 (117.55)		151.20 (117.55)

	2009-10	2008-09
10. (a) Managerial Remuneration paid/payable to the Manager (s) :	(Rs.)	(Rs.)
(i) Salaries	60,80,000	48,12,000
(ii) Commission	28,13,050	21,17,669
(iii) Contribution to retirement benefit funds	5,32,800	4,77,840
(iv) Perquisites	16,26,723	13,70,097
(b) Computation of Net Profit u/s 349 of the Companies Act, 1956 for computation of Commission to Directors :		
Net Profit as per Profit & Loss Account	18,91,33,359	14,31,50,577
Add : Commission to Directors	46,88,417	35,29,448
Directors Sitting Fee	1,30,000	1,15,000
	<u>19,39,51,776</u>	<u>14,67,95,025</u>
Less : Profit on sale of Assets/Shares	17,26,665	20,87,648
Balance :	19,22,25,111	14,47,07,377
Commission @ 1% on Net Profits to Directors	18,75,367	14,11,779
Commission @ 1.5% on Net Profits to Mg. Director, Jt. Mg. Director & Exe. Director	28,13,050	21,17,669
Net Profit From business (as per Section 349)	<u>18,75,36,694</u>	<u>14,11,77,929</u>

SCHEDULE -T-II ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 TO 40 OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

	2009-10	2008-09
1. AUDITORS' REMUNERATION INCLUDES :	Rs.	Rs.
Audit Fee	2,00,000	1,55,000
Tax Audit Fee	42,000	42,000
For Other Matters	-	-
Reimbursement of out of pocket expenses	76,484 *	1,17,317 *
(*) including service tax on Audit fee		



2. EARNINGS IN FOREIGN EXCHANGE				
(i) Export of goods on F.O.B. basis		3,48,54,304		2,53,87,385
3. VALUE OF IMPORTS ON C.I.F. BASIS (excluding canalised items)				
(i) Raw Materials and Consumables		29,73,431		1,37,582
(ii) Capital Goods		24,53,962		74,95,703
4. EXPENDITURE IN FOREIGN CURRENCY				
Remittance in foreign currency				
(a) Foreign Travelling Expenses		1,04,115		1,20,526
5. LICENSED, INSTALLED AND ACTUAL PRODUCTION				
I. Licensed Capacity				
All the units of the Company are separately registered with SIA, Govt. of India and combined licenced capacities are:				
(a) Maize Starch	135100 MTs.			
(b) Glucose	48637 MTs.			
(c) Sorbitol	12000 MTs.			
(d) Dextrine & Textilose	10250 MTs.			
II. Installed Capacity		2009-10 (P.A.)		2008-09 (P.A.)
(a) Starches		135000 M.T.		95000 M.T.
(b) Glucose		48000 M.T.		36000 M.T.
(c) Sorbitol		12000 M.T.		9500 M.T.
(d) Dextrine & Textilose		10250 M.T.		10250 M.T.
III. Actual Production				
(a) Maize Starch		105099.586 M.T.		94279.311 M.T.
Less : Captive Consumption		62069.411 M.T.		58604.386 M.T.
Production for sale		43030.175 M.T.		35674.925 M.T.
(b) Dextrine & Textilose		5933.425 M.T.		6380.650 M.T.
(c) Glucose		47763.155 M.T.		43711.395 M.T.
(d) Sorbitol		7716.105 M.T.		7613.545 M.T.
(e) By Products on dry basis		39788.815 M.T.		36186.469 M.T.
Less : Internal Consumption		1459.810 M.T.		966.505 M.T.
Production for sale		38329.005 M.T.		35219.964 M.T.
6. CONSUMPTION OF RAW MATERIALS (including Sales, if any)		2009-10		2008-09
	Qty. in M.Tons	Value in Rs.	Qty. in M.Tons	Value in Rs.
(i) Maize	165798.900	1,52,19,72,975	150328.816	1,14,87,59,593
(ii) Tapioca Starch and other basic Raw Materials	1267.350	2,89,50,208	165.434	23,95,194
(iii) Other items [each being less than 10% of the total consumption]		15,40,62,813	-	15,72,74,899
		<u>1,70,49,85,396</u>		<u>1,30,84,29,686</u>



SCHEDULE 'T-II' NOTES ON ACCOUNTS

7. VALUE OF IMPORTED AND INDIGENOUS

RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION	2009-10 (Rs.)	2008-09 (Rs.)
(i) Raw Materials		
(a) Imported	26,68,696	-
(excluding canalised items)	(0.18%)	-
(b) Indigenous	1,70,23,16,700	1,30,84,29,686
	(99.84%)	(100%)
(ii) Spares & Components	3,04,735	1,13,537
(a) Imported	(1.52%)	(0.58%)
(b) Indigenous	1,97,40,497	1,92,54,432
	(98.48%)	(99.42%)

8. PARTICULARS OF GOODS SOLD

	2009-10		2008-09	
	Qty. in M. Tons	Value in Rs.	Qty. in M. Tons	Value in Rs.
(i) Starches	43371.500 #	76,11,14,364	36384.275	52,83,55,723
(ii) Dextrins & Textilose	6115.150 ##	13,40,08,912	6358.800 ##	12,79,64,819
(iii) Glucose	48314.625	98,89,83,095	43338.470	79,34,11,731
(iv) Sorbitol	7732.175	21,61,27,130	7535.070	22,68,14,902
(v) By Products on dry basis	38768.728 *	48,70,66,093	35062.101 *	40,42,63,884
(vi) Misc. Sales		6,78,55,683		3,61,41,604
		<u>2,65,51,55,277</u>		<u>2,11,69,52,663</u>

includes 269.100 MTs Maize Starch purchased from outside (Prev. Year Nil)

includes 4.350 MTs Yellow Dextrine purchased from outside (Prev. Year 16.000 MTs)

* includes 553.000 MTs. Gluten purchased from outside (Prev. Year 8.050 MTs)

**9. OPENING AND CLOSING STOCK OF
GOODS PRODUCED DURING THE YEAR**

	As on 31.3.2010		As on 31.3.2009		As on 31.3.2008	
	Qty. in M. Tons	Value in Rs.	Qty. in M.Tons	Value in Rs.	Qty. in M.Tons	Value in Rs.
(i) Starches	493.450	69,68,973	565.675	68,66,391	1275.025	1,45,64,150
(ii) Dextrins & Textilose	69.300	10,02,032	246.675	32,18,939	208.825	28,28,582
(iii) Glucose	588.080	93,10,883	1149.550	1,68,59,338	776.625	1,18,66,351
(iv) Sorbitol	259.270	54,60,095	275.340	60,32,147	196.865	33,71,820
(v) By Products on dry basis	418.560	1,04,85,409	305.283	76,41,710	139.370	31,25,774

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Membs. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010 (Rs. in lacs)	Year Ended 31st March, 2009 (Rs. in lacs)
FLAWS FROM OPERATING ACTIVITIES		
Net Profit before tax	1,891.33	1,431.51
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	594.02	511.46
Provision for gratuity	31.57	28.76
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest & Dividend received	(22.83)	(65.30)
Interest paid	701.17	532.67
(Profit) Loss on sale of Investments/assets	(17.27)	(20.68)
FLAWS FROM OPERATIONS BEFORE WORKING CAPITAL CHANGES	<u>3,178.01</u>	<u>2,418.22</u>
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(679.10)	19.98
Inventories	(2,279.43)	275.28
Trade Payable	(131.11)	(132.61)
Other Liabilities	365.54	(183.09)
FLAWS FROM OPERATING ACTIVITIES	<u>453.91</u>	<u>2,398.78</u>
Direct Taxes Paid	(337.30)	(262.01)
Fringe Benefit Tax	—	(9.00)
NET FLOWS FROM OPERATING ACTIVITIES	116.61	2,127.77
FLAWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,183.40)	(1,506.13)
Sale of Fixed Assets	17.99	34.94
Investments in subsidiaries	—	—
Other Investments	226.80	(123.41)
Interest & Dividend received	22.83	65.30
NET FLOWS FROM INVESTING ACTIVITIES	(915.78)	(1,529.30)
FLAWS FROM FINANCING ACTIVITIES		
Loans raised for working capital	2199.30	(171.95)
Term Loans raised	(445.96)	(524.57)
Other Loans raised	(104.09)	619.42
Dividends paid	(344.82)	(358.54)
Interest paid	(701.17)	(532.67)
NET FLOWS FROM FINANCING ACTIVITIES	603.26	(968.31)
Net Cash Flows during the year	(195.91)	(369.84)
Cash & cash equivalents as at beginning of the year	394.99	754.83
Cash & cash equivalents as at the end of the year	199.08	384.99

M.O. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



SCHEDULES TO THE ACCOUNTS

SCHEDULE-U

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART (IV) OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I. REGISTRATION DETAILS

Corporate Identity Number L15321PB1944PLC001925 State Code : 16
 Balance Sheet Date 31.3.2010

II. CAPITAL RAISED DURING THE YEAR (Amount in Thousands)

Public Issue	-	Right Issue	-
Bonus Issue	-	Private Placement	-
		Promoters Contribution	-

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Thousands)

Total Liabilities	Rs. 20,64,530	Total Assets	Rs. 20,64,530
-------------------	---------------	--------------	---------------

SOURCE OF FUNDS

Paid-up Capital	Rs. 73,798	Reserves & Surplus	Rs. 9,31,712
Secured Loans	Rs. 5,52,177	Unsecured Loans	Rs. 1,71,484

APPLICATION OF FUNDS

Net Fixed Assets	Rs. 9,55,133	Investment	Rs. 1,30,473
Net Current Assets	Rs. 7,11,243	Deffered Tax Asset	Rs. (-) 67,678
Accumulated Losses	Rs. Nil		

IV. PERFORMANCE OF COMPANY (Amount in Thousands)

Turnover	Rs. 26,62,834	Total Expenditure	Rs. 24,73,701
Profit/(Loss) before Tax	Rs. 1,89,133	Profit/(Loss) after tax	Rs. 1,46,741
Earning Per Share	Rs. 19.88	Dividend Rate	60%

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (As per monetary terms)

Item Code No. 110812, 170230, 350510, 290544, 151521
 Product Description Maize Starch, Liquid Glucose, Dextrose Monohydrate, Dextrins, Sorbitol, Dextrose Anhydrous, Maize Oil & Other By products.

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

DIRECTORS {
 S.K. ANAND
 V.K. SARDANA
 A.K. SARDANA
 V.P. KAPANI



AUDITORS' REPORT TO THE DIRECTORS' ON CONSOLIDATED ACCOUNTS

AUDITOR'S REPORT TO THE BOARD OF DIRECTORS' ON CONSOLIDATED ACCOUNTS OF THE SUKHJIT STARCH & CHEMICALS LTD.

We have examined the attached consolidated Balance Sheet of The Sukhjit Starch & Chemicals Ltd. and its subsidiaries as at 31st March, 2010, the consolidated Profit and Loss Account and the consolidated cash flow statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries whose financial statements reflect total assets and total revenues as follows as on 31st March, 2010

Subsidiary Company	Total Assets (in lacs)	Total Revenues (in lacs)
The Vijoy Steel & General Mills Co. Ltd.	248.35	157.35
Sukhjit Finance Ltd.	231.46	0.09
Scott Industries Ltd.	931.48	699.80

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 Institute of Chartered Accountants of India 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.

On the basis of information and according to explanations given to us and on the consideration of the separate audit reports on individual audited financial statements. The Sukhjit Starch & Chemicals Limited and its aforesaid subsidiaries, we are of the opinion that in case of Balance sheet, of the state of the affairs of the company as at 31st March 2010.

- i. The consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of The Sukhjit Starch & Chemicals Limited and its subsidiaries as at 31st March, 2010.
- ii. The consolidated profit and loss account gives a true and fair view of the consolidated results of operations of The Sukhjit Starch & Chemicals Limited and its subsidiaries for the year then ended and
- iii. The consolidated cash flow statement gives a true and fair view of the consolidated results of operations of The Sukhjit Starch & Chemicals Limited and its subsidiaries for the year then ended in conformity with the accounting principles generally accepted in India.

**FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS,**

Place : Jalandhar
Dated : 18th June, 2010

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



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2010

SOURCES OF FUNDS	SCHEDULE NO.	AS ON 31.3.2010 Rs.	AS ON 31.3.2009 Rs.
SHAREHOLDERS' FUNDS			
(a) Share Capital	A	7,37,98,200	7,37,98,200
(b) Reserves & Surplus	B	<u>91,09,49,849</u>	<u>81,89,58,354</u>
		98,47,48,049	89,27,56,564
MINORITY INTEREST			
		14,57,224	16,78,220
LOAN FUNDS			
(a) Secured Loans	C	56,04,38,379	38,63,99,584
(b) Unsecured Loans	D	<u>17,14,84,503</u>	<u>18,18,93,333</u>
		73,19,22,882	56,82,92,917
DEFERRED TAX LIABILITY			
		6,42,52,808	5,70,40,786
TOTAL FUNDS		<u>1,78,23,80,963</u>	<u>1,51,97,68,487</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
(a) Gross Block		1,41,05,40,446	1,24,33,93,290
(b) Less : Depreciation		43,00,50,199	36,63,69,127
(c) Less : Lease Equalisation		14,30,005	14,30,005
(d) Net Block	E	97,90,60,242	87,55,94,158
(e) Capital Work in Progress	F	<u>2,76,67,678</u>	<u>7,55,25,160</u>
		1,00,67,27,920	95,11,19,318
INVESTMENTS			
	G	6,81,35,206	9,06,78,335
Less Provisions		<u>51,48,005</u>	<u>42,90,004</u>
		6,29,87,201	8,63,88,331
A. CURRENT ASSETS, LOANS & ADVANCES			
(a) Inventories	H	60,98,88,255	37,47,84,788
(b) Sundry Debtors	I	30,43,20,847	23,66,45,784
(c) Cash & Bank Balances	J	2,09,90,595	4,01,21,884
(d) Loans & Advances	K	6,82,17,693	9,89,35,150
(e) Less : Provision for Sub Standard Assets		<u>(44,22,271)</u>	<u>(2,84,48,299)</u>
		99,89,95,119	72,20,39,307
B. CURRENT LIABILITIES & PROVISIONS			
(a) Liabilities	L	20,46,76,264	17,86,94,816
(b) Provisions	M	<u>8,16,53,013</u>	<u>6,10,83,653</u>
		28,63,29,277	23,97,78,469
NET CURRENT ASSETS (A - B)		<u>71,26,65,842</u>	<u>48,22,60,838</u>
TOTAL ASSETS		<u>1,78,23,80,963</u>	<u>1,51,97,68,487</u>
NOTES ON ACCOUNTS			
	T		

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPARI

For The Sukhjit Starch & Chemicals Ltd.

Executive Director & Secretary



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	SCHEDULE NO.	FOR THE YEAR ENDED 31.3.2010 (Rs.)	FOR THE YEAR ENDED 31.3.2009 (Rs.)
INCOME			
1. Gross Sales & Other Income	N	2,74,55,65,634	2,20,63,10,160
Less Excise Duty	N 1	6,97,45,763	9,07,91,075
Net Sales		<u>2,67,58,19,871</u>	<u>2,11,55,19,085</u>
TOTAL INCOME		<u>2,67,58,19,871</u>	<u>2,11,55,19,085</u>
EXPENDITURE			
2. Consumption of Materials	O	1,77,29,91,513	1,36,27,58,441
3. Manufacturing Expenses	P	35,10,13,655	29,95,85,093
4. Payments to and Provisions for Employees	Q	13,90,58,562	12,42,63,855
5. Administrative, Selling & Other Expenses	R	8,73,54,005	7,39,68,659
6. Financial Charges	S	7,19,82,562	5,52,87,177
7. Depreciation	E	6,37,14,488	5,56,25,420
8. Provision for Sub-Standard Assets		28,96,547	65,87,908
TOTAL EXPENDITURE		<u>2,48,90,11,332</u>	<u>1,97,80,76,553</u>
9. Profit Before Tax		18,68,08,539	13,74,42,532
10. Provision for Taxation :			
- Current Tax		(3,85,00,000)	(2,34,00,000)
- Deferred Tax		(72,12,022)	(39,44,480)
- Fringe Benefit Tax		-	(9,51,420)
11. Profit after Tax		14,10,96,517	10,91,46,632
12. Add/(Less) Taxes Relating to Previous Years		23,07,621	(1,93,505)
13. Profit after Tax before Minority Interests		14,34,04,138	10,89,53,127
14. (Add)/Less Minority Interests		(2,20,996)	(3,98,906)
15. Net Profit		14,36,25,134	10,93,52,033
16. Add Surplus Brought Forward		48,22,904	6,953
17. Surplus Available for Appropriation		14,84,48,038	10,93,58,986
(a) Proposed Dividend		4,42,78,920	2,95,19,280
(b) Corporate Tax on Dividend		73,54,729	50,16,802
(c) General Reserve		9,00,00,000	7,00,00,000
(d) Surplus Carried Forward		68,14,389	48,22,904
18. NOTES ON ACCOUNTS	T		
Basic Earning per Share (Rs.)		19.43	14.76
Diluted Earning Per Share (Rs.)		19.43	14.76
Face Value Per Share (Rs.)		10.00	10.00

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Memb. No. 16875
Place: Jalandhar
Dated: 18th June, 2010

For The Sukhjit Starch & Chemicals Ltd

S.M. Jindal
Executive Director & Secretary

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

SCHEDULE-A	AS ON 31.3.2010	AS ON 31.3.2009
SHARE CAPITAL	Rs.	Rs.
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>10,00,00,000</u>	<u>10,00,00,000</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of Rs. 10/- Each fully paid up including 58,83,799 Equity Shares of Rs. 10/- each allotted as Bonus Shares by Capitalisation of Reserves	<u>7,37,98,200</u>	<u>7,37,98,200</u>
	<u>7,37,98,200</u>	<u>7,37,98,200</u>
SCHEDULE-B		
RESERVES & SURPLUS		
CAPITAL RESERVE		
As per Last Balance Sheet	4,93,02,817	4,93,02,817
SHARE PREMIUM		
As Per Last Balance Sheet	87,14,450	87,14,450
GENERAL RESERVE		
As per Last Balance Sheet	75,61,18,193	68,61,18,193
Add : Set aside during the year	<u>9,00,00,000</u>	<u>7,00,00,000</u>
	84,61,18,193	75,61,18,193
PROFIT & LOSS ACCOUNT	68,14,389	48,22,904
TOTAL	<u>91,09,49,849</u>	<u>81,89,58,364</u>
SCHEDULE-C		
SECURED LOANS		
PUNJAB NATIONAL BANK		
(i) Cash Credit		
(a) Secured against Hypothecation of raw material, stores, semi-finished goods and finished goods	39,41,83,657	20,80,25,263
(b) Secured against Book Debts	12,25,12,933	8,91,36,637
(c) DD Credit	-	9,00,000
Secured against Cheques/Demand Drafts		
(ii) Term Loan	4,37,41,789	8,83,37,684
Secured against hypothecation of Plant & Machinery, Building Other Fixed Assets of Gurplah Unit and Equitable Mortgage of Factory Land of that unit		
	<u>56,04,38,379</u>	<u>38,63,99,584</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

			AS ON 31.3.2010	AS ON 31.3.2009
			Rs.	Rs.
SCHEDULE-D				
UNSECURED LOANS				
Fixed Deposits			16,10,94,000	17,01,34,000
Interest Payable thereon			98,78,081	1,15,52,790
(Including interest payable on cumulative deposits)			5,12,442	2,06,543
Other Loans & Advances/Security Deposits			<u>17,14,84,503</u>	<u>18,18,93,333</u>
SCHEDULE-F				
CAPITAL WORK IN PROGRESS				
Building under construction			83,48,946	1,99,47,563
Machinery under construction			1,70,29,454	4,95,13,166
Electric fitting under erection			-	6,38,769
Advances for capital goods			22,35,540	49,78,548
Furniture			55,738	4,47,114
		TOTAL	<u>2,76,67,678</u>	<u>7,55,25,160</u>
SCHEDULE-G				
INVESTMENTS				
Holiday Home/Clubs			65,000	85,000
LONG TERM UN QUOTED FULLY PAID				
OTHERS				
	No. of Shares/Debenture/Units	Face Value Per Share/Debenture/Units (Rs.)		
(a) National Saving Certificates	-	-	7,750	7,750
(b) Tata Capital Ltd. Non Convertible Debentures	20	5,00,000	1,03,00,479	-
(c) NIFG Canara Robacco Infrastructure Growth Fund	93095.4228	10	24,00,000	24,00,000
(d) Reliance Equity Oppurtunity Fund	(93095.4228)	10	-	-
	1,74,654.1850	10	50,00,000	-
(e) UTI Gilt Advantage Fund	(NIL)	-	-	-
(f) DSP Merrill Lynch Technology.Corn Fund	3217321.591	10	4,02,60,473	6,50,00,000
	(5162807.95)	10	-	-
(g) UTI Fixed Income Fund	(100000)	10	-	32,41,138
	(1000000)	10	-	1,00,00,000
(h) 70152 shares of Rs. 10/- each of M/s Hindustan Engineering & Industries Ltd. and 245848 shares of Rs. 10/- each of M/s. Malanpur Steel Ltd. issued in lieu of 316000 shares of Rs. 10/- each fully paid up of M/s. Hindustan Development Corp. Ltd. at cost	316000	10	85,80,008	85,80,008
(i) M/s. Santosh Securities Ltd.	5,000	10	1,75,000	1,75,000
	(5000)	-	-	-
			<u>6,67,23,710</u>	
QUOTED FULLY PAID				
(a) M/s Sanghi Polyester Ltd.	4,900	10	26,431	26,431
	(4,900)	-	-	-
(b) Reliance Industries Ltd	300	10	11,756	11,756
	(300)	-	-	-
(c) M/s PTL Enterprises Ltd.	5,000	10	1,26,274	1,26,274
	(5,000)	-	-	-
(d) M/s Tele Data Informatics Ltd	29,122	10	11,38,643	10,44,978
	(20,122)	-	-	-
6761 shares of M/s Tele Data Manne Ltd.				
6761 shares of M/s Tele Data Technology Ltd.				
(e) M/s. T T Ltd.	3,625	10	43,392	-
	(NIL)	-	-	-
			<u>13,46,496</u>	
(Market value of quoted investments Rs. 4.03 lacs Previous year Rs 2.65 lacs)			<u>6,81,35,206</u>	<u>9,06,78,335</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	AS ON 31.3.2010	AS ON 31.3.2009
	Rs.	Rs.
SCHEDULE-H		
INVENTORIES		
Stores, Spares, Fuel & Other	7,11,11,112	6,78,77,955
Loose Tools (at cost or net realisable value whichever is lower)	13,60,987	13,07,818
Raw Materials (Basic) (at cost or net realisable value whichever is lower)	44,74,75,524	21,55,02,607
Stock in Process (at cost or net realisable value whichever is lower)	4,32,91,895	3,91,97,175
Finished Goods (at cost or net realisable value whichever is lower)	4,56,48,937	4,95,74,008
Stock on Hire	-	13,25,225
	<u>60,98,08,255</u>	<u>37,47,84,768</u>
SCHEDULE-I		
SUNDRY DEBTORS		
Unsecured - Over Six months		58,31,555
- Considered Good	35,35,397	2,04,77,730
- Considered Doubtful	1,96,87,593	21,29,11,610
- Others	<u>28,48,20,395</u>	23,92,70,895
	30,80,43,385	(25,75,111)
Less Provision for Doubtful Debts	(37,22,538)	<u>23,66,45,784</u>
	<u>30,43,20,847</u>	
SCHEDULE-J		
CASH & BANK BALANCES		
Cash in Hand	19,28,206	9,57,128
Balance with Scheduled Banks in -		
Current Accounts	1,51,88,708	14,05,424
Fixed Deposit Accounts	11,29,459	2,08,72,126
Margin Accounts	27,44,222	1,68,87,206
	<u>2,09,90,595</u>	<u>4,01,21,884</u>
SCHEDULE-K		
LOANS & ADVANCES		
Recoverable in cash or in kind or for value to be received		
- Considered Good	3,48,02,226	3,71,35,418
- Considered Doubtful	74,27,867	2,83,41,772
Income Tax in Advance	12,79,06,931	11,04,15,085
Less : Provision for Taxation	(12,82,00,112)	(10,26,56,085)
Security/Other Deposits	1,48,21,159	1,42,60,482
Prepaid Expenses	19,86,596	20,48,434
Interest & Other Recoverables	94,73,026	93,90,044
	<u>6,82,17,693</u>	<u>9,89,35,150</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	AS ON 31.3.2010	AS ON 31.3.2009
	Rs.	Rs.
SCHEDULE-L		
CURRENT LIABILITIES		
Sundry Creditors for Goods Supplied	7,97,23,887	9,40,83,789
Sundry Creditors for Expenses	3,07,56,584	2,72,92,147
Other Creditors	7,94,08,329	4,20,46,662
Dividend Payable	44,18,869	43,63,972
Taxes payable	45,26,341	47,07,985
Security Deposits	58,30,261	62,00,261
	<u>20,46,76,271</u>	<u>17,86,94,816</u>
SCHEDULE-M		
PROVISIONS		
Proposed Dividend	4,42,78,920	2,95,19,280
Corporate Tax on Dividend	73,54,728	50,16,802
Provision for Gratuity	3,00,19,364	2,65,47,571
	<u>8,16,53,013</u>	<u>6,10,83,653</u>
SCHEDULE-N		
SALES & OTHER INCOME		
Sales	2,73,79,08,918	2,19,54,44,872
Profit on Sale of Assets/Units	17,26,665	20,87,649
Rent Received	4,44,000	3,99,800
Interest & Dividend Received	22,82,433	65,38,784
Misc. Income	31,93,618	18,39,055
	<u>2,74,55,65,634</u>	<u>2,20,63,10,160</u>
SCHEDULE-N 1		
EXCISE DUTY		
Excise Duty Paid	6,97,32,904	9,04,18,506
Less : Excise Duty on Closing Stock	(68,322)	(81,181)
Add : Excise Duty on Opening Stock	81,181	4,53,750
	<u>6,97,45,763</u>	<u>9,07,91,075</u>
SCHEDULE-O		
CONSUMPTION OF RAW MATERIALS		
OPENING STOCK :		
Finished Goods	4,95,74,008	4,29,89,498
Raw Materials (Basic)	21,55,02,607	26,03,65,757
Stock in Process	<u>3,91,97,175</u>	<u>3,00,65,382</u>
	30,42,73,790	33,34,20,637
Purchase of Basic Raw Materials	<u>1,82,94,76,002</u>	<u>1,15,36,69,994</u>
	2,13,37,49,792	1,48,70,90,631
LESS CLOSING STOCK		
Finished Goods	4,66,48,937	4,95,74,008
Raw Materials (Basic)	44,74,75,524	21,55,02,607
Stock in Process	<u>4,32,91,695</u>	<u>3,91,97,175</u>
	53,74,16,156	30,42,73,790
Effective Consumption of Basic Raw Materials	1,59,63,33,636	1,18,28,16,841
Other Raw Materials, Consumables & Stores Consumed	17,66,57,877	17,99,41,600
	<u>1,77,29,91,513</u>	<u>1,36,27,58,441</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

	AS ON 31.3.2010	AS ON 31.3.2009
	Rs.	Rs.
SCHEDULE-P		
OTHER MANUFACTURING EXPENSES		
Power & Fuel	30,94,04,531	26,09,71,136
Machinery Repair	2,00,34,140	1,83,34,425
Cartage	49,46,859	58,84,530
Other Charges	1,66,28,125	1,43,95,002
	<u>33,10,13,655</u>	<u>29,95,85,093</u>
SCHEDULE-Q		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salary, Wages, Bonus & Gratuity	12,06,27,308	10,69,81,229
Cont. to PF, ESI, Superannuation & Other Funds	98,50,824	90,94,132
Workmen & Staff Welfare	85,80,430	81,88,494
	<u>13,90,58,562</u>	<u>12,42,63,855</u>
SCHEDULE-R		
ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Printing & Stationery	10,33,529	10,35,197
Professional/Legal Expenses	18,17,019	16,19,857
Directors' Fee	1,30,000	1,15,000
Directors' Travelling Expenses	2,79,877	3,68,152
Travelling Expenses	98,46,423	88,10,006
Auditors' Remuneration	3,79,484	3,75,317
Rent Paid	19,11,031	13,82,603
Electricity & Water Charges	8,38,200	4,80,403
Entertainment	3,93,566	3,68,458
Postage, Telegram & Telephones	24,98,652	25,25,208
Advertisement	8,24,264	6,15,905
Subscription	8,03,953	3,36,698
General Charges	6,35,246	3,15,772
Insurance Expenses	26,43,408	23,37,575
Building Repair	39,83,471	40,60,799
Other Repairs & Maintenance	18,45,476	13,26,622
Commission & Brokerage	2,73,40,960	2,14,66,450
Taxes & Other Govt. Levies & Fees	20,13,085	17,25,983
Rebate & Discount	76,00,157	70,15,411
Charity & Donation	13,41,971	3,22,063
Carriage & Forwarding Charges	1,45,05,816	1,35,88,233
Mg. Director & Wholetime Directors' Comm.	28,13,050	21,17,669
Directors' Commission	18,75,367	14,11,779
Bad Debts Written Off	-	46,528
Loss on sale of fixed Assets	-	1,83,565
Preliminary Expenses Written Off	-	17,396
	<u>6,73,54,003</u>	<u>7,39,68,659</u>
SCHEDULE-S		
FINANCIAL CHARGES		
Interest - On Term Loans/Deposits	2,33,38,038	2,33,96,677
- On Other Accounts	4,76,98,104	3,09,80,347
Bank Charges	9,46,420	9,10,153
	<u>7,19,82,562</u>	<u>5,52,87,177</u>



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

SCHEDULE-E
FIXED ASSETS AS ON 31ST MARCH, 2010 (CONSOLIDATED)

Amount (Rs.)

Particulars	Land	Building	Furniture & Fixture	Plant & Machinery	Electric Fitting & Other Equipment	Vehicles	Total	Previous Year
OWNED ASSETS:								
COST								
Cost as on 1.4.2009	10,10,62,023	28,84,17,231	1,52,38,612	73,03,70,076	5,66,08,323	1,97,43,767	1,21,14,19,432	1,10,42,00,845
Additions	60,00,279	3,05,36,589	14,88,703	12,38,44,447	35,02,243	18,80,111	16,72,52,272	11,98,14,680
Sale/Adjustments	-	-	-	50,358	-	54,858	1,05,216	1,25,76,093
Total as at 31.3.2010	10,70,62,302	31,89,53,820	1,67,27,315	95,41,64,165	6,01,10,566	2,15,68,420	1,37,95,86,568	1,21,14,39,432
DEPRECIATION								
Upto 31.3.2009	-	8,17,15,324	79,62,856	22,31,27,805	2,29,97,712	1,08,17,034	34,66,20,733	30,34,71,250
For the Year	-	1,50,72,931	14,88,139	3,78,89,956	51,23,797	26,40,799	6,22,15,622	5,38,84,374
On Sale/Adjustments	-	-	-	887	-	32,529	33,416	1,07,34,891
Upto 31.3.2010	-	9,67,88,255	94,50,997	26,10,16,874	2,81,21,509	1,34,25,304	40,88,02,939	34,66,20,733
NET VALUE								
As on 31.3.2010	10,70,62,302	22,21,65,565	72,76,318	59,31,47,291	3,19,89,057	81,43,116	96,97,83,649	86,48,18,699
As on 31.3.2009	10,10,62,023	20,67,01,907	72,75,754	50,72,42,271	3,36,10,611	85,26,133	86,48,18,699	80,07,29,595
ASSETS GIVEN ON LEASE:								
COST								
Cost as on 1.4.2009	-	-	-	3,08,76,648	10,72,210	-	3,19,53,858	3,19,53,858
Additions	-	-	-	-	-	-	-	-
Sale/Adjustments	-	-	-	-	-	-	-	-
Total as on 31.3.2010	-	-	-	3,08,76,648	10,72,210	-	3,19,53,858	3,19,53,858
DEPRECIATION								
Upto 31.3.2009	-	-	-	1,89,82,362	7,66,032	-	1,97,48,394	1,80,07,348
For the Year	-	-	-	14,55,581	43,285	-	14,98,866	17,41,046
On Sale/Adjustments	-	-	-	-	-	-	-	-
Upto 31.3.2010	-	-	-	2,04,37,943	8,09,317	-	2,12,47,260	1,97,48,394
NET VALUE								
As on 31.3.2010	-	-	-	1,04,38,705	2,67,893	-	1,07,06,598	1,27,05,464
As on 31.3.2009	-	-	-	1,18,94,286	3,11,178	-	1,22,05,464	1,39,46,510
GRAND TOTAL								
As at 31.3.2010	10,70,62,302	22,21,65,565	72,76,318	60,35,85,996	3,22,56,950	81,43,116	98,04,90,247	87,70,24,163



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

1. METHOD OF ACCOUNTING

The company maintains its financial statements on an accrual basis and in accordance with the historical cost convention, generally accepted accounting practices and applicable Accounting Standards as well as the relevant provisions of The Companies Act, 1956. However, certain escalations/claims which are not ascertainable or unacknowledged, are accounted for on their being acknowledged.

2. FIXED ASSETS

The fixed assets are accounted for at their original cost included duties, taxes, freight and incidental 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 cost of assets.

3. DEPRECIATION

(a) Depreciation on additions to Plant & Machinery has been provided on a straight line method and on other fixed assets on written down value at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on assets added during the year has been provided on pro-rata basis with reference to the month of addition/installation.

(b) Depreciation on the leased assets has been provided on straight line basis at the rates specified under Schedule XIV of the Companies Act, 1956 on pro-rata basis, with reference to the month of addition/installation. A lease equalization account has been created representing the difference between annual lease charge and statutory depreciation as per the guidelines issued by The Institute of Chartered Accountants of India, in this regard.

4. INVESTMENTS

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

5. INVENTORY

Raw materials, stores and spares, packing material, components, stock in process, finished goods, bye products and goods held for resale are valued at lower of cost and net realizable value.

6. EMPLOYEE BENEFITS

The contribution to Provident and Superannuation Funds are accounted on actual liability basis. Gratuity provisions/contributions are made on actuarial valuation basis.

7. REVENUE RECOGNITION

(a) Sales are inclusive of Excise Duty wherever applicable

(b) Income on Investment from dividend/interest are recognised on the basis of declaration or accrual thereof.

8. 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.

9. RESEARCH & DEVELOPMENT EXPENSES

Expenses on research & development are charged off as and when incurred.

10. 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 recognised to the extent there is reasonable certainty that these assets can be realised in future.

11. GOVERNMENT GRANTS

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.

12. 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.

13. STOCK ON HIRE

Stock sold on hire purchase basis are stated at full hire purchase price less instalments received-net of Hire Purchase Financing charges apportioned as income for the year



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

NOTES TO THE ACCOUNTS

- (i) The Consolidated Financial Statements have been prepared in accordance with the Accounting Standard-21 (AS 21) "Consolidated Financial Statements" issued by The Institute of Chartered Accountants of India.
- (ii) The previous year figures have been recast/regrouped wherever necessary.
- (iii) The subsidiaries (which along with The Sukhjit Starch & Chemicals Limited, the parent, constitute the Group) considered in the preparation of these consolidated financial statements are :

Name	Percentage of Voting Power as at 31.3.2010
The Vijoy Steel & General Mills Co. Limited	97.90 %
Sukhjit Finance Limited	93.17 %
Scott Industries Limited	99.97 %

These Consolidated Financial Statements are based, in so far as they related to amounts included in respect of subsidiaries, on the audited financial statements prepared for consolidation in accordance with the requirements of AS-21 by each of the aforesaid subsidiaries.

- (iv) Deferred Tax has been provided in accordance with the Accounting Standard AS-22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.
- (v) Contingent Liabilities not provided for include :
- (a) Bank Guarantees issued for Rs. 113.80 lacs (Prev. Year Rs. 93.32 lacs) in favour of West Bengal State Electricity Board for power connection of Malda Unit, Himachal Pradesh State Electricity Board for power connection of Gurplah unit, Commissioner of Customs / Jt. Director of Foreign Trade for import of machinery under EPCG licence and Excise & Taxation Officer for sale tax subsidy of Gurplah unit.
- (b) Central Excise Duty : Disputed liabilities not adjusted as expenses in the accounts include Rs. 15.93 crores (Prev. year Rs. 14.85 crores) on account of Central Excise Duty in appeals. The major item consists of Rs. 15.90 crores (Prev. year 14.80 crores) excluding penalty & interest on account of the demands raised by the Central Excise Department since 1.4.1997 against sale of maize starch disputing the classification thereof. The company has challenged the demand before the Hon'ble High Court which has since been stayed by the Hon'ble High Court and the matter is subjudice.
- (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 50.31 lacs (Prev. Year Rs. 289 lacs)
- (d) Export obligation pending to be fulfilled is US\$ 76,203.20 (Prev. Year US\$ 66,332) under the EPCG scheme of the Central Government on account of custom duty saved on import of capital goods at concessional rates.

(vi) Buildings of the Company at Malda and partly at Phagwara are built on leased land.

(vii) Earnings per Share :	Current Year	Previous Year
(a) Net profit after tax available for Equity Shareholders (Rs. in lacs)	1434.04	1089.53
(b) Weighted Average number of Equity Shares having face value of Rs. 10/- each outstanding during the year (No. of shares)	73,79,820	73,79,820
(c) Basic Earnings per Share Rs. 10/- each (Rs.) (a/b)	19.43	14.76
(d) Diluted Earnings per Share Rs. 10/- each (Rs.) (a/b)	19.43	14.76



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

(viii) Related Party Disclosures :

(a) List of Related Parties / Relationships :

SUBSIDIARY COMPANIES

- (i) The Vijoy Steel & General Mills Co. Ltd. : Subsidiary
- (ii) Sukhjit Finance Ltd. : Subsidiary
- (iii) Scott Industries Ltd. : Subsidiary

Key Management Personnel

- (iv) Mr. I.K. Sardana
- (v) Mr. K.K. Sardana
- (vi) Mr. S.M. Jindal

(b) Transactions with Related Parties in the ordinary course of business.

(Figures in brackets are for the previous year) (Amount Rs. in Lacs)

Particulars	Subsidiaries	Key Management Personnel	Total
Rent paid		4.63 (4.20)	4.63 (4.20)
Directors Remuneration		110.52 (87.78)	110.52 (87.78)
Rent received	0.84 (0.37)		0.84 (0.37)
On account of sales	31.39 (81.54)		31.39 (81.54)
On account of Purchases	151.20 (117.55)		151.20 (117.55)

(ix) Managerial Remuneration paid/payable to the Manager (₹) :	Current Year (Rs.)	Previous Year (Rs.)
(i) Salaries	60,80,000	48,12,000
(ii) Commission	28,13,050	21,17,669
(iii) Contribution to retirement benefit funds	5,32,800	4,77,840
(iv) Perquisites	16,26,723	13,70,097

(x) Interest on overdue lease and hire purchase instalments has not been taken into consideration and will be accounted for on receipt basis.

(xi) Advance lease rental/hire purchase instalments relating to cases maturing within one year have been taken as current liabilities.

(xii) 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.

M.G. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

[Y.K. Sud]
B.Com., F.C.A.
Prop.
Mem. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPRAHI



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31st March, 2010 (Rs. in lacs)	Year Ended 31st March, 2009 (Rs. in lacs)
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	1,868.09	1,374.43
Adjustments for non-cash items		
Depreciation	637.14	556.25
Provision for sub standard assets	28.97	65.88
Preliminary Expenses	-	0.17
Bad Debts written off	(3.03)	0.47
Provision for gratuity	34.72	33.18
Adjustments for non-operating activities		
Interest & Dividends received	(22.92)	(65.39)
Interest paid	710.36	543.77
Profit on sale of assets	(17.26)	(20.87)
Flows from operations before working capital changes	<u>3236.07</u>	<u>2,487.89</u>
Changes in working capital		
Trade and other receivables	(425.52)	23.07
Inventories	(2,351.03)	211.57
Trade Payables	(108.83)	(277.24)
Other Liabilities	136.04	(31.49)
Flows from operating activities	<u>(2,749.34)</u>	<u>(74.09)</u>
Direct Taxes Paid		
Income Tax	(337.90)	(272.69)
Fringe Benefit Tax	-	-
Net Flows from operating activities	<u>148.83</u>	<u>214.11</u>
FLAWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,193.95)	(1,512.07)
Sale of Fixed Assets	17.98	39.29
Investments	234.01	(124.17)
Acquisition of Minority Interest	(2.21)	(3.99)
Capital Subsidy	-	-
Interest & Dividend Received	<u>22.92</u>	<u>65.39</u>
NET FLOWS FROM INVESTING ACTIVITIES	(921.25)	(1,536.35)
FLAWS FROM FINANCING ACTIVITIES		
Borrowings for (Repayments of) working capital loans	2186.35	(158.25)
Term Loans raised	(445.96)	(524.57)
Other Loans raised	(104.09)	619.42
Dividends Paid	(344.82)	(358.53)
Interest Paid	<u>(710.36)</u>	<u>(543.77)</u>
NET FLOWS FROM FINANCING ACTIVITIES	581.12	(965.70)
Net Cash Flows during the year	<u>(191.30)</u>	<u>(350.94)</u>
Cash and cash equivalents at the beginning of the year	401.21	762.15
Cash and cash equivalents at the end of the year	<u>209.91</u>	<u>401.21</u>

M.L. SHARMA
Sr. Vice President & CFO

S.M. JINDAL
Executive Director & Secretary

I.K. SARDANA
Mg. Director

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

(Y.K. Sud)
B.Com., F.C.A.
Prop.
Mem. No. 16875
Place : Jalandhar
Dated : 18th June, 2010

DIRECTORS

S.K. ANAND
V.K. SARDANA
A.K. SARDANA
V.P. KAPANI



SCHEDULES TO THE CONSOLIDATED ACCOUNTS

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2010 (In Rs. Lacs)

Business Segment	Search & its Derivatives		Ready-made Garments		Leasing/Hire Purchase Financing		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
I. Segment Revenue												
- External Sales	25,977.00	20,369.15	699.80	854.50	0.09	0.30	128.27	131.24	-	-	26,755.16	21,155.19
- Internal Sales	0.84	0.37	-	-	-	-	29.08	-	(29.92)	(0.37)	-	-
Total Revenue	25,977.84	20,369.52	699.80	854.50	0.09	0.30	157.35	131.24	(29.92)	(0.32)	26,755.16	21,155.19
II. Segment Result												
- Profit before Tax	1,890.49	1,431.14	6.46	(0.54)	(33.14)	(58.65)	4.27	2.48	-	-	1,868.08	1,374.43
- Provision for Taxation	(423.92)	(270.98)	(8.99)	(12.51)	-	(0.02)	(1.13)	(1.38)	-	-	(434.04)	(284.89)
- Profit after Taxation	1,466.57	1,160.16	(2.53)	(13.05)	(33.14)	(58.67)	3.14	1.10	-	-	1,434.04	1,089.54
III. Segment Assets												
- Segment Assets	20,645.30	17,545.43	931.48	899.14	231.46	265.19	248.35	185.68	(1,369.49)	(1,299.98)	20,687.10	17,595.46
- Segment Liabilities	9,913.42	7,826.62	661.31	635.18	27.78	28.36	225.12	166.12	(645.11)	(575.57)	10,182.52	8,080.71
- Capital Expenditure	1,183.40	1,506.73	4.01	5.37	-	-	6.54	1.37	-	-	1,193.95	1,512.87



THE SUKHJIT STARCH & CHEMICALS LIMITED
SARAI ROAD, PHAGWARA-144401

ATTENDANCE SLIP

Shareholders attending the Meeting in person or by proxy are requested to complete the attendance slip and handover at the entrance of the meeting hall.

I hereby record my presence at the 66th Annual General Meeting of the company held on Monday, the 9th day of August, 2010 at 10.00 A.M. at Regd. Office of the Company at Phagwara-144401.

.....
Full Name of the Shareholder
(in Block Letters)

Folio No.....

.....
Full Name of Proxy
(in Block Letters)

.....
Signature of the Shareholder

.....
Signature of the Proxy

The Sukhjit Starch & Chemicals Limited

PROXY FORM

I/We.....of.....in the district of.....being
a member/members of the above named Company hereby appoint.....of
.....in the district of.....or failing him.....
of.....in the district of.....as my/our proxy to vote for me/us
on my/our behalf at the 66th ANNUAL GENERAL MEETING of the Company, to be held on
Monday, the 9th day of August, 2010 and any adjournment thereof.

Signed this.....day of.....2010.

Affix
1 Rupee
Revenue
Stamp

Signature of the Shareholder

- Note :**
1. Member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself. The Proxy need not be a member of the company.
 2. The Proxy Form duly completed should be deposited at the Registered Office of the company at least 48 hours before the meeting.