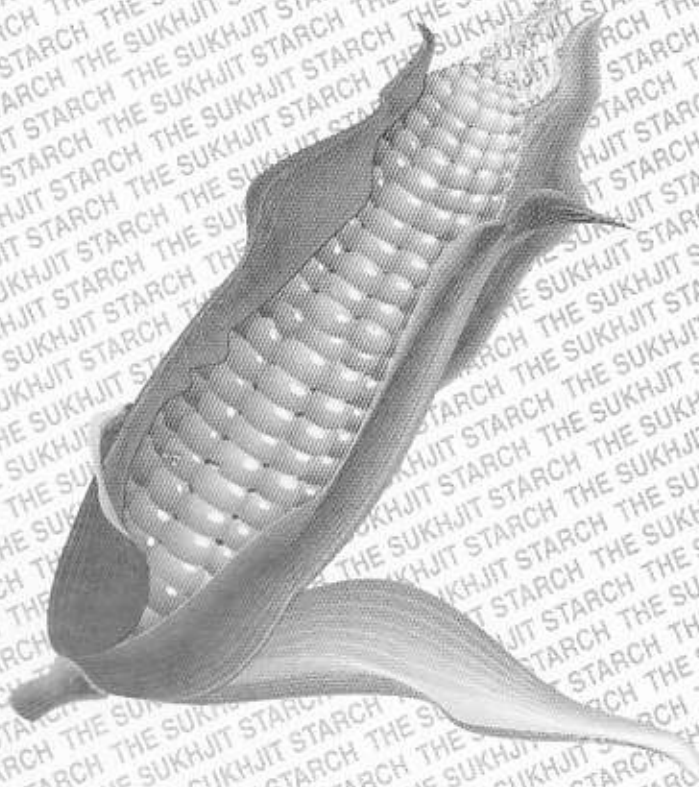


69th *Annual Report* 2012-2013



THE SUKHJIT STARCH & CHEMICALS LIMITED

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
Ambika Towers, 4th Floor,
Police Line Road, Jalandhar-144 001.

REGISTERED OFFICE

Phagwara-144 401 (Pb.)

REGISTRAR & SHARE TRANSFER AGENTS

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

ANNUAL REPORT & ACCOUNTS 2012-2013



NOTICE

NOTICE is hereby given that the 69th 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 Tuesday, the 6th day of August, 2013 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 31.03.2013.
2. To declare dividend on the Equity Shares for the year ended 31.03.2013.
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 to pass with or without modification(s) the following resolution as a special resolution :

"Resolved that pursuant to the provisions of Section 198, 269, 309, 311 read with the Schedule XIII and other applicable provisions of the Companies Act, 1956, if any, the consent of the Company be and is hereby granted to the re-appointment of Shri I.K. Sardana as the Managing Director of the Company with effect from 1st July, 2013, on the terms and conditions including remuneration as are set out in the explanatory statement annexed hereto with the liberty to the Board of Directors to alter and vary and/ or modify the terms & conditions of the reappointment including remuneration, commission etc. payable to Shri I.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 I.K. Sardana.

Place : Phagwara.

Dated : 1st June, 2013

By Order of the Board

Sd/-

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. 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 31.03.2013 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 Share Transfer Books of the Company shall remain closed from 29th July, 2013 to 6th August, 2013 (both days inclusive).
4. Members are requested to notify any change in their addresses immediately to the Registrar-cum-Share Transfer Agents of the Company.
5. Dividend Warrants, to the resident members of the Company will be posted within 30 days from the date of declaration of dividend.
6. Members are hereby informed that, 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 unclaimed dividends either from the company or the IEPF thereafter.
7. Members, who have not encashed their dividend warrants for the financial year 2005-2006, 2006-2007, 2007-2008, 2008-2009, 2009-2010, Interim Dividend 2010-2011 and Final Dividend 2010-2011 & 2011-12 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
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
2009-2010	09.08.2010	08.08.2017
2010-2011 (Interim Dividend)	11.01.2011	10.01.2018
2010-2011 (Final Dividend)	01.08.2011	31.07.2018
2011-2012	09.08.2012	08.08.2019



8. The Provisions of section 109A and 109B of the Companies Act, 1956 have extended the nomination and transmission facility to the share-holders of the company. The share-holders 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 the 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 Directors 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 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 29,300 shares of our company.
 Both the directors have long Managerial and administrative business experience to their credit. They are associated with the company as directors for last over 16 years and have contributed significantly to the overall growth of the company. The Board, therefore, recommends their re-appointment.
 Shri V.K. Sardana (being the brother of Shri A.K. Sardana) may be deemed to be interested in the resolution relating to the re-appointment of Shri A.K. Sardana and both of the Directors in their own re-appointment.

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

ITEM NO. 6

The reappointment of Shri I.K. Sardana was approved in the Annual General Meeting held on 24th September, 2008 (with effect from 1st July, 2008). His term of office expiring on 30th June, 2013 and your Directors have re-appointed Shri I.K. Sardana as Managing Director of the Company for a further period of 5 years with effect from 1st July, 2013 on the following terms & conditions :

1. The Managing Director shall act under the superintendence, control and directions of the Board of Directors and is vested with the powers of governance and control of the Company and is authorized to exercise all the powers for the general conduct of business and affairs of the company efficiently and profitably.
2. The re-appointment is made for a period of 5 years with effect from 1st July, 2013.
3. Remuneration :
 - (a) Salary & Allowances : Rs. 4.61 lacs p.m. with annual increment as may be decided by the Board of



Directors from time to time within the overall limits specified under Schedule XIII to the Companies Act, 1956.

- (b) Commission : $\frac{1}{2}\%$ (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.

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

Category 'A'

- (i) Free furnished accommodation with 10% deduction of salary.
- (ii) Medical re-imbursement 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 months' leave for every 11 months of service. Encashment of leave at the end of tenure will not be considered as ceiling on the computation of perquisites.

Category 'C'

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

The company has grown significantly with new projects, expansions or diversified product portfolios under his able stewardship. The Company has shown a quantum jump in its turnover and profitability over the years. The Board, therefore, in the overall interest and future growth of the company, recommends his re-appointment for a period of five years with effect from 1st July, 2013.

None of the Directors except Shri I.K. Sardana and Shri K.K. Sardana (being brother of Shri I.K. Sardana) are concerned or interested in this resolution.



DIRECTORS' REPORT

Dear Share Holders :

Your Directors' are pleased to present before you the 69th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2013 :-

1. FINANCIAL RESULTS

	2012-13 (Rs. in Crores)	2011-12 (Rs. in Crores)
Sales & Other income	420.10	354.94
Earning before Interest, tax and Depreciation	51.33	45.99
– Less Interest	14.12	11.19
– Depreciation	8.85	7.14
– Provision for taxes (including Deferred Tax)	6.78	5.56
Profit After Tax	21.58	22.10
Surplus brought forward from previous year	10.15	6.91
Surplus available for appropriation	31.73	29.01
Proposed dividend (including Corporate Tax)	4.32	3.86
Transfer to General Reserve	15.00	15.00
Surplus carried forward	12.41	10.15

2. PERFORMANCE

The sales and other income of the company have increased from Rs. 354.95 crores for the year ended 31/03/2012 to Rs. 420.10 crores for the year ended 31/03/2013 registering an increase of over 18% (year over year). The interest cost has continued to take a heavy toll on the profits of the Company due to high rates of interest prevailing through out the year. The prices of the finished goods also remained under pressure due to addition of new capacities in the industry and having operationalised during the current year. The earnings before depreciation, interest and tax have increased from Rs. 45.99 crores to Rs. 51.32 crores for the current year which after providing financial cost Rs. 14.12 crores (Rs. 11.19 crores), depreciation of Rs. 8.85 crores (Rs. 7.14 crores) and tax expense including deferred tax of Rs. 6.78 crores (Rs. 5.56 crores) leave a net profit of Rs. 21.58 crores (Rs. 22.10 crores).

3. FUTURE PROSPECTUS

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

A higher capacity utilization of the expansion of Malda Unit during the running year is expected to contribute to the sales of the company significantly with reasonable increase in profits. The overall turnover of the company may further show a growth of about 20% during the running year.



4. CORPORATE GOVERNANCE

Your company is fully committed to the philosophy of transparency and believes in conducting its business with due compliance of all the applicable laws, rules and regulations. 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 of 50% during the financial year ended 31st March, 2013 against 45% 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, 2013, 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, 2013 on a 'going concern' basis.

7. DEPOSITS

All the deposits have been 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 31/03/2013.

8. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara : The company has shown a turn around with a net profit for the year under reference. The company is expected to improve upon its performance in the years to come.
- (b) Sukhjit Finance Ltd., Phagwara : The operations of the company have almost been shut down to ward off unnecessary losses and efforts are being made to realize overdues and the available assets of the Company.
- (c) Scott Industries Ltd., Phagwara : The company has shut down its operations owing to huge losses over the years. Most of its assets have been disposed off in May, 2013 to redeem the maximum investment and efforts are on to realize the dues from its customers.

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

As required under the Listing Agreement with the Bombay Stock Exchange, a Consolidated Financial Statements



of the Company and its subsidiaries are attached, which have been prepared in accordance with the relevant Accounting Standard(s) as prescribed under Section 211 (3C) of the Companies Act, 1956.

In pursuance to the general circular issued by the Ministry of Corporate Affairs, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. A statement containing the requisite financial details of the company's subsidiaries for the financial year ended 31st March, 2013 is annexed to the consolidated results in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any shareholder of the Company/its subsidiaries who may be interested in seeking such information and are also available for inspection by any shareholder of the Company/its subsidiaries at the registered office of the Company/its subsidiary companies. The Company shall furnish a copy of details of annual accounts of subsidiaries to any shareholder on demand.

9. CONTINGENT LIABILITY

Disputed Liabilities, not provided as expense in the accounts, comprise of Rs. 20.38 Crores mainly Rs. 19.12 Crores on account of disputed Central Excise Duty excluding penalty and interest. The amount is on account of demand raised by Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance and the matter is subjudice. The company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include show cause notice concerning demand of Rs. 1.19 crores on exempted goods and the case is pending before The Commissioner, Central Excise.

10. PERSONNEL

In terms of the provisions of section 217 (2A) of The Companies Act, 1956 and rules made thereunder (amended to date), the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, in view of the provisions of section 219(b)(iv) of the said Act, the aforesaid schedule is not annexed to the Annual Report being sent to the Members of the Company.

Any member interested in obtaining the particulars may write to the company.

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 the re-appointment of M/s. Y.K. Sud & Company, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

The Board of Directors recommend, subject to the approval of the Central Government, the appointment of M/s. Khushwinder Kumar & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2012-13. The cost audit report for the said year is due to be filed with the Ministry of Corporate Affairs on or before the 30th September, 2013 and the cost audit report for the financial year ended 31/03/2012 was duly filed on 29/12/2012 (i.e. within the extended due date for the said filing).

13. ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the co-operation received from the bankers, customers and other business associations. They 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.C. JINDAL

Chairman

Dated : 31st May, 2013



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, 2013.

I. (A) POWER & FUEL CONSUMPTION

1. ELECTRICITY

CURRENT YEAR

PREVIOUS YEAR

(a) Purchase Units – 000 KWH

43,544

38,421

Total Amount Rs. 000

2,79,944

1,91,402

Rate/Unit Rs.

6.43

4.98

(b) Own Generation

(i) Through Diesel Generation

– Units – 000 KWH

1,241

532

– Units per Ltr. of Diesel oil

3.25

3.25

– Cost/Unit Rs.

14.63

12.58

2. COAL (Steam Coal used on Boilers)

Quantity (M. Tons)

4,990

11,091

Total Cost Rs. 000

33,015

61,583

Average Rate Rs./MT

6,616

5,552

3. OTHERS (Rice Husk / Fire Wood)

Quantity (M. Tons)

59,868

47,177

Total Cost Rs. 000

2,08,790

1,57,049

Average Rate Rs./MT

3,487

3,329

(B) CONSUMPTION PER M.TON OF PRODUCTION

	STANDARD, if any	CURRENT YEAR	PREVIOUS YEAR
Production	Nil	1,78,792	1,66,776
Electricity-KWH/Ton.	Nil	244 *	230 *
Coal – Kgs/Ton.	Nil	28 *	67 *
Others – Rice Husk – Kgs/Ton.	Nil	335 *	283 *

(*) 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. 51.50 Lacs during the year under reference (Rs. 49.04 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. 741.96 lacs (Rs. 695.15 lacs during previous year) on a F.O.B. basis.
2. The Company has imported capital goods of Rs. 212.48 lacs (Rs. 629.43 lacs during previous year), Spare parts, components and consumables of Rs. 62.11 lacs (Rs. 8.79 lacs during previous year) on C.I.F. basis and incurred foreign travelling expenditure of Rs. 0.68 lacs (Rs. 11.27 lacs during Previous Year).

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

1. Name of the Company	The Vijoy Steel & Gen. Mills Co. Ltd.	Sukhjit Finance Ltd.	Scott Industries Ltd.
2. Holding Company's Interest	Holding 2,21,800 equity shares in the subscribed & fully paid up capital of 2,30,640 equity shares of Rs. 10/- each	Holding 46,22,100 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 (Rs. lacs)			
(a) For the year ended 31.3.2013	5.53	(4.80)	(78.39)
(b) For the previous financial years of the subsidiary of the company	(4.95)	(332.11)	(290.36)
4. Net aggregate amount of subsidiary company's profit less losses or vice versa dealt with or provided for in the company's accounts (Rs. lacs)			
(a) For the company's financial year ended 31.3.2013	—	—	—
(b) For the previous financial years of the subsidiary since it became subsidiary	7.08	296.09	—

**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 practises, high level of integrity, deep 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 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 Financial year 2012-2013, Eight Board meetings were held on : 28.05.2012, 29.05.2012, 08.08.2012, 09.08.2012, 30.10.2012, 31.10.2012, 22.01.2013, & 23.01.2013.

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

Name of the Director	Category of Directorship	Number of Board Meetings Attended	No. of the Directorships held in other Indian public limited Companies	No. of the Committees Positions held in other Indian Public limited Companies
Shri S.C. Jindal	Independent Chairman	8	-	-
Shri I.K. Sardana	Managing Director	8	2	4 (member)
Shri K.K. Sardana	Jt. Managing Director	8	2	-
Shri S.M. Jindal	Executive Director	8	3	-
Shri V.K. Sardana	Non Executive Director	6	1	-
Shri A.K. Sardana	Non Executive Director	6	-	-
Shri Naresh Sardana	Non Executive Director	6	-	-
Shri S.K. Anand	Independent Director	8	-	-
Shri V.P. Kapahi	Independent Director	8	-	-

3. **COMMITTEES OF THE BOARD**

The Board of Directors have constituted the following Committees with an 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 of 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 to 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	21
Shri K.K. Sardana	Member	24	18
Shri S.M. Jindal	Member	24	22

(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 the Chairman, Shri S.C. Jindal and Shri S.K. Anand, as the 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 the Chairman, Shri S.C. Jindal and Shri V.P. Kapahi as the 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	(Amount in Rs.)		Total
			Perquisite Value	Retirement Benefits	
Sh. I.K. Sardana	4632000	1402607	1565163	377640	7977410
Sh. K.K. Sardana	4520000	1402607	811594	367800	7102001
Sh. S.M. Jindal	4520000	1402607	290307	367800	6580714

Remuneration Paid to the 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 the necessary approvals/sanctions obtained at the time and approval of the shareholders obtained by way of a special resolution in the Annual General Meeting for continuation of the same. Non Executive Directors are also paid Sitting Fee @ Rs. 3,500/- per meeting besides out of pocket expenses / travelling expenses incurred in connection with attending the said meeting. The Company does not have any Stock Option Scheme.

4. GENERAL BODY MEETINGS

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

Date	Location	Time
09/08/2010	Regd. Office, Phagwara	10.00 A.M.
27/07/2011	Regd. Office, Phagwara	10.00 A.M.
09/08/2012	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, their Relatives or the Management which could have potential conflict with the interest of the company. However, the transactions with related parties in the ordinary course of business, in terms of AS-18, are given as per Point No. 9 of the Schedule T-I (Notes on 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

Website : www.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) The Sukhjit Agro Industries

Village Bathu (Gurplah)

Tehsil Haroli, Distt. UNA (H.P.)

Phone No. (01975) 257311, 257314

Fax No. (01975) 257312

E-mail : sukhjitagro@gmail.com



ANNEXURE 'C'

8. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting Date, Time & Place : 6th August, 2013 at 10.00 A.M. at the Registered Office of the Company at Phagwara.
- (b) Financial Year : 2012-2013
- (c) Date of Book Closure : 29th July, 2013 to 06th August, 2013. (both days inclusive)
- (d) Dividend Payment : Within Statutory period
- (e) Listing on Stock Exchange : Bombay Stock Exchange
- (f) Stock Code : 524542
- (g) CIN : L15321 PB1944 PLC 001925
- (h) Registrars & Share Transfer Agents : The Share Transfers are done by Skyline Financial Services (Pvt.) Ltd., D-153 A, 1st Floor, Okhla Industrial Area, Phase-1, New Delhi - 110020
Phone No. (011) 26812682
E-mail ID : admin@skylinerta.com
- (i) Dematerialization of Shares : The Company's Equity shares are held in dematerialised form on NSDL & CDSL. 65,41,757 shares i.e. 88.64% of equity capital has been dematerialized as on 31.03.13 out of which promoter's shares are 43,94,214 (100% of the Promoters share holding is held in Demat form) and public shares are 21,47,543 (71.93% of the total Public Share Holding is held in Demat form).
- (j) Unclaimed Shares Demat Suspense Account : In terms of Clause 5A of the Listing Agreement, the Company reports as under :

	No. of Shares Holders	No. of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying on the date of opening of the suspense account	513	65,146
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	4	306
Number of shareholders to whom shares were transferred from the suspense account during the year	4	306



ANNEXURE 'C'

Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2013

509

64,840

The voting rights on the shares outstanding in the suspense account as on 31st March, 2013 shall remain frozen till the rightful owners of such shares claim the shares.

(k) 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
Website : www.sukhjitgroup.com

(l) Distribution of Shareholding as on 31.3.2013

Category	No. of Shares	Percentage
1. Promoters (including 3,15,006 shares of NRI's)	43,94,214	59.54%
2. Banks, Financial Institutions, Govt. institutions etc.	28,314	0.38%
3. Corporate Bodies	1,47,035	1.99%
4. NRIs/FFIs/OCBs	9,231	0.13%
5. General Public	28,01,026	37.96%
Total No. of shares	<u>73,79,820</u>	<u>100.00%</u>

(m) Market Price Data : High / low quotations on the Bombay Stock Exchange during each month for the Financial year 2012-2013 & performance in comparison to BSE Index :

Month	MARKET PRICE (RS.)		BSE INDEX	
	High	Low	High	Low
April, 2012	189.75	170.20	17664.10	17010.16
May, 2012	183.90	160.00	17432.33	15809.71
June, 2012	175.00	159.50	17448.48	15748.98
July, 2012	191.00	161.05	17631.19	16598.48
Aug., 2012	171.70	147.95	17972.54	17026.97
Sept., 2012	191.50	145.05	18869.94	17250.80
Oct., 2012	188.90	160.75	19137.29	18393.42
Nov., 2012	210.00	175.00	19372.70	18255.69
Dec., 2012	248.00	195.05	19612.18	19149.03
Jan., 2013	275.00	230.50	20203.68	19508.93
Feb., 2013	232.95	193.50	19966.69	18793.97
March, 2013	210.05	175.00	19754.66	18568.43



ANNEXURE 'C'

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS SEGMENT :

The Sector of Starch and Starch derivatives, in which your Company is engaged, continues to grow at a higher rate of about 20% per annum. It has invariably grown at a multiple of more than 2 of the GDP growth rate of country in the last decade. However, the size of the industry is still very small and per capita consumption has not even reached 1/3rd of the global average. Per Capita consumption is also lower than 1/4th of the per capita consumption of Starch in the neighbouring economy of China where consumption of starch has increased four folds in the last decade. The similar replay in the Indian economy is expected to increase the growth of Starch & its derivatives manifolds in the coming decade.

There is a direct co-relation of sugar consumption and starch consumption pattern in a number of emerging economies where use of sugar has substantially declined in the past years with a corresponding increase in the consumption of Starch and Starch Sweeteners. Our economy is still continues with a wide gap of per capita consumption of sugar viz-a-viz Starch / Starch sweeteners. The industry needs to grow at a much higher pace to bridge the gap to some an extent and reach near the global average.

OPPORTUNITIES & THREATS :

Starch and its derivatives have very limited applications in our country against more than 1,000 applications in some developed economics. With the increasing price of sugar, the starch sweeteners may find increased use in various industries especially food and beverages as a low cost substitute. The consumption of processed food, as such, is extremely low in our country as compared to other Asian countries and it is expected to show an exponential growth in the coming years with a positive impact on our industry. Besides, use of plastic bags is being restricted or banned in many parts of the country so starch may find increased use in the biodegradable plastics.

Main growth drivers for starch and its derivatives includes four industrial sectors i.e. Processed food and confectionery, Pharmaceuticals, paper and textiles. While the consumption of processed foods in India is extremely low viz-a-viz some other Asian countries and can grow exponentially, the pharmaceuticals industry is also expected to grow at a higher rate as per capita expenditure on healthcare improves which is extremely low against the global average. These factors ensure brighter growth prospectus for our industry of starch and its derivatives.

Major risk in the industry continues to come from its basic raw material i.e. Maize which is an agriculture produce and its availability and price fluctuate from season to season and region to region, quite violently. The company has most of its plants located in the major maize growing areas of the country which help it mitigate the raw material risks to some an extent and ensure its availability at the most competitive cost, on a regular basis. The company enjoys well established credit worthiness and high level of integrity amongst its suppliers. It continues to enjoy its position of the most preferred buyer in most of the maize growing areas.

On the marketing side, multi locational strategy of the Company has paid off handsomely as it enables to cope up with the market risks effectively and control incidence of the continuously increasing freight cost. This also helps the company enjoy higher market visibility with logistic advantages to serve its institutional customers without interruption.



The concept of quality assurance is a main feature of Sukhjit's dimensions. The quality control systems are rigorously applied in all the plants. The company has a well established quality policy reading **"We believe that quality is the life line of every business we are committed to satisfy our customers by manufacturing and supplying quality products to their entire satisfaction."** The Company has been awarded various quality assurance certificates i.e. ISO - 9001 : 2008, HACCP, WHO - GMP and due certifications under the FSS Act. The Company is known for its quality products, fair market policies and standard business practices due to which it enjoys a long term business relationship with many leading corporate such as Dabur India, Wrigley India, Perfetti India, Hindalco, Cadbury India, Cremica Agro Foods, Marico, Cadila Pharmaceuticals, Berger Paints, Ballarpur, Parle, Nestle India, Heinz India and others.

OUTLOOK :

The expansion of Malda Unit was fully operationalized in the second half of the year due to which the Company has clocked an increase of over 18% in its turnover in the financial year under reference. The capacity utilization of this expansion for full year is expected to further push up its turnover/sales in the running year and the company is expected to show a growth of about 20% in its overall turnover with reasonable profits. The Company has achieved a export turnover of Rs. 7.5 crores during the current year and the efforts are on to expand exports to other markets/regions to achieve higher level of exports in the coming years.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY :

The company has an effective Internal Control System which duly commensurates with its size and nature of business. The system fully provides and 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 are applicable to the company from time to time.

COMPANY'S FINANCIAL PERFORMANCE AND ANALYSIS :

The Sales of the Company have increased by over 18% during the year under reference. However, pricing pressure on the sale of finished goods continued to keep the profits under check. Higher interest cost has also adversely affected the net profits of the company. The company continues to enjoy good rating i.e. A1 (A one) for its short term bank facilities and A+ (A plus) for long term facilities from Credit Analysis and Research Ltd. (CARE). The company has a good Working Capital Management system to ensure stringent control over funds deployment, timely collection of customer's outstandings and effective control over material procurement. The good Working Capital Management, in fact, leads to efficient use of self generated cash flows (internal cash accruals) affording a major strength to the Company to have an easy access to the Working Capital facilities at a competitive cost.

CORPORATE SOCIAL RESPONSIBILITY :

The company is quite conscious of its social responsibilities and moral obligations towards the society. It is deeply committed to the social upliftment and all round community/public welfare. The company has promoted the



establishment of various institutions which have been, under its patronage running successfully for promotion of education, healthcare, sports and preservation of environment. The main organizations include :

A Post Graduate College for Women imparting Graduate and Post Graduate level quality education to over 2000 girl students with latest and state of the art infrastructural facilities at the lowest possible cost with all concessions to the needy and poor students. It has been accredited 'A' by NAAC and selected 'Star College in Life Sciences' by DBT, New Delhi, Government of India.

Seven other educational institutions including a B.Ed. College for Women and six Higher Secondary Schools imparting high quality education to over 5000 students with due concessions to all students from economically backward and rural areas.

A Blood donor Council which, besides, organizing blood donation awareness camps, donates blood to number of Thalassaemia patients on a regular basis and at concessional cost to the others. It has an old age education centre called "Foot Path" to impart necessary education to the old persons with workable computer knowledge. It also organizes bi-monthly free dental care camps with supplies of free dentures. Free eye care and operation camps are also regularly organized for the needy and poor patients of the area.

A National Rural Development Society has built 2,500 toilets with sewerage system in the surrounding rural/backward areas/villages. The Environment Association has, inter-alia, planted and maintained 11,000 trees in the surrounding areas during the year under reference and over one lakh trees to date. Anathalaya Trust/Diwani Chand Ram Narain Trust extend all financial support for the education and general welfare of the poor and needy persons. Various sports Organizations have been established to promote sports/other activities enabling to channelise youth energy for productive uses.

HUMAN RESOURCES DEVELOPMENT :

The Company accords high importance to HRD and strives hard to maintain harmonious industrial relations. It believes that the quality of workmen and their level of motivation largely contribute to the long term success of any organization. The company conducts regular in-house training programmes for the employees at all levels to continuously improve/hone their skill-sets and impart leadership qualities. It provides good professional environment with major thrust on maintaining high level of motivation and equips its employees with all the necessary knowledge and drive enabling them to excel in their 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, 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, 2013.

FOR THE SUKHJIT STARCH & CHEMICALS LTD.

(I.K. SARDANA)
Managing Director

Place : Phagwara
Dated : 31st May, 2013

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, 2013 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, 2013, 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 : 31st May, 2013

(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, 2013, 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 2013 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 2013.
 - 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 that date.

FOR Y.K. SUD & COMPANY
CHARTERED ACCOUNTANTS

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar.

Dated : 31st May, 2013



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 stock 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. We have broadly reviewed the records maintained by the company in pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Govt. under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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, 2013 for a period of more than six months from the date they became payable.

(c) The company has a disputed Central Excise liability of Rs. 20.38 crores (not provided in the accounts), which mainly include Rs. 19.12 crores against sale of Maize Starch since 01.04.1997. The company explained that the Excise department is alleging the clearance of Maize Starch as that of Modified Starch, so it is totally baseless and it does not foresee any liability to crystallize on this account.

The other major item concerns a demand of Rs. 1.19 crores on exempted goods and the case is pending before The Commissioner, Central Excise.

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 a 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 of 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

(Y.K. SUD)

B.Com., F.C.A.

Prop.

Memb. No. 16875

Place : Jalandhar

Dated : 31st May, 2013



BALANCE SHEET AS ON 31ST MARCH, 2013

	NOTE	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	<u>16,087.63</u>	<u>14,361.43</u>
		16,825.61	15,099.41
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	7,451.34	5,555.17
(b) Deffered Tax Liability (Net)	4	<u>1,111.78</u>	<u>781.78</u>
		8,563.12	6,336.95
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	5	7,183.13	5,420.79
(b) Trade Payables	6	2,588.39	1,588.99
(c) Other Current Liabilities	7	1,725.19	1,185.46
(d) Short Term Provisions	8	<u>431.70</u>	<u>385.96</u>
		11,928.41	8,581.20
		<u>37,317.14</u>	<u>30,017.56</u>
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets	9		11,243.98
(i) Tangible		17,996.48	9.87
(ii) Intangible		10.93	
(iii) Capital work in progress	10	<u>1,456.59</u>	<u>5,120.16</u>
		<u>19,464.00</u>	<u>16,374.01</u>
(b) Non Current Investments	11	1,125.16	1,025.06
(c) Long Term Loans & Advances	12	136.70	243.70
(d) Other Non Current Assets	13	<u>268.15</u>	<u>234.35</u>
		20,994.01	17,877.12
2. CURRENT ASSETS			
(a) Current Investments	14	952.08	1,062.93
(b) Inventories	15	8,340.90	5,856.28
(c) Trade Receivables	16	4,789.32	3,446.33
(d) Cash & Cash Equivalents	17	330.73	156.53
(e) Short Term Loans & Advances	18	1,802.24	1,495.00
(f) Other Current Assets	19	<u>107.86</u>	<u>123.36</u>
		16,323.13	12,140.45
		<u>37,317.14</u>	<u>30,017.56</u>
TOTAL			

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 : 31st May, 2013

DIRECTORS

S.C. JINDAL
A.K. SARDANA
NARESH SARDANA
K.K. SARDANA
S.K. ANAND
V.P. KAPAHI
V.K. SARDANA



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
1. Revenue From Operations	20	41,871.59	35,345.19
2. Other Income	21	138.81	149.80
3. Total Revenue		<u>42,010.40</u>	<u>35,494.99</u>
4. Expenses			
Cost of Materials Consumed	22	27,875.46	23,881.31
Change in Inventories of Finished Goods & Work in Progress	23	(306.10)	(547.92)
Employee Benefits Expenses	24	2,111.82	1,858.20
Financial Costs	25	1,412.02	1,119.38
Depreciation and Amortisation Exp.	9	885.38	713.30
Other Expenses	26	7,196.34	5,704.50
Total Expenses		<u>39,174.92</u>	<u>32,728.77</u>
5. Profit Before Tax (3-4)		2,835.48	2,766.22
6. Tax Expense :			
- Current Tax	340.00		545.00
- Deferred Tax	330.00		23.00
- Taxes Relating to Previous Yrs.	7.58		(11.68)
7. Profit for the year		677.58	556.32
		2,157.90	2,209.90
8. Earning per equity share			
(a) Basic		29.24	29.95
(b) Diluted		29.24	29.95
(c) Face Value Per Share (Rs.)		10.00	10.00

M.G. SHARMA

Sr. Vice President & CFO

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 : 31st May, 2013

S.M. JINDAL

Executive Director & Secretary

I.K. SARDANA

Mg. Director

S.C. JINDAL

A.K. SARDANA

NARESH SARDANA

K.K. SARDANA

S.K. ANAND

V.P. KAPAH

V.K. SARDANA

DIRECTORS



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the Year Ended 31st March, 2013 (Rs. Lacs)	For the Year Ended 31st March, 2012 (Rs. Lacs)
FLOWES FROM OPERATING ACTIVITIES		
Net Profit before tax	2,835.48	2,766.22
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	885.38	713.30
Provision for Doubtful Debts	4.34	9.50
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest received	(73.32)	(65.94)
Interest paid	1,386.85	1,100.96
(Profit) Loss on sale of investments/assets	(31.73)	(59.76)
FLOWES FROM OPERATIONS BEFORE WORKING CAPITAL	5,007.00	4,464.28
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(1,315.14)	(217.70)
Inventories	(2,484.62)	62.23
Trade Payables	999.40	(10.82)
Other Liabilities	37.17	60.86
FLOWES FROM OPERATING ACTIVITIES	2,243.81	4,358.85
Direct Taxes Paid	(705.29)	(753.44)
NET FLOWES FROM OPERATING ACTIVITIES	1,538.53	3,605.41
FLOWES FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,981.01)	(5,586.75)
Sale of Fixed Assets	37.37	28.29
Other Investments	117.75	183.61
Interest received	73.32	65.94
NET FLOWES FROM INVESTING ACTIVITIES	(3,752.57)	(5,308.91)
FLOWES FROM FINANCING ACTIVITIES		
Loans raised for working capital	1,762.34	(593.38)
Term Loans raised	1,726.65	3,173.35
Repayment of Term Loan	(850.00)	(212.50)
Other Loans raised	1,519.52	415.27
Dividends paid	(383.42)	(339.58)
Interest paid	(1,386.85)	(1,100.96)
NET FLOWES FROM FINANCING ACTIVITIES	2,388.24	1,342.20
Net Cash Flows during the year	174.20	(361.30)
Cash & cash equivalents at the beginning of the year	156.53	517.83
Cash & cash equivalents at the end of the year	330.73	156.53

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 : 31st May, 2013

DIRECTORS

S.C. JINDAL
A.K. SARDANA
NARESH SARDANA
K.K. SARDANA
S.K. ANAND
V.P. KAPAH
V.K. SARDANA



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
1. SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of Rs. 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u>737.98</u>	<u>737.98</u>

The Detail of shareholders holding more than 5% shares :

Name of the shareholders	As on 31st March, 2013		As on 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	514,395	6.97	494,601	6.70
Sh. Kuldeep Krishan Sardana	540,977	7.33	538,066	7.29
Sh. Dhiraj Sardana	399,080	5.40	390,081	5.29
Sh. Bavdeep Sardana	410,859	5.57	409,394	5.55
Sh. Puneet Sardana	386,747	5.24	377,511	5.12
Sh. Pankaj Sardana	382,167	5.17	369,473	5.01

2. RESERVES & SURPLUS

CAPITAL RESERVE

Capital Subsidy :

298.29 298.29

SECURITY PREMIUM

87.14 87.14

GENERAL RESERVE

As per Last Balance Sheet

12,961.18 11,461.18

Add : Transferred from Profit & Loss Account

1,500.00 1,500.00

14,461.18 12,961.18

PROFIT & LOSS ACCOUNT

As per last Balance Sheet

1,014.82 690.88

Add : Profit for the year

2,157.90 2,209.90

3,172.72 2,900.78

Less : Appropriations

(a) Final Dividend (Proposed)

368.99 332.09

(b) Corporate tax on dividend

62.71 53.87

(c) Transferred to General Reserve

1,500.00 1,500.00

Surplus Carried Forward

1,241.02 1,014.82

16,087.63 14,361.43



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
3. LONG TERM BORROWINGS		
SECURED LOANS		
Term Loan from Bank(s)	1,487.50	2,110.85
(i) Secured against hypothecation of Plant & Machinery, Building, other fixed assets and Equitable Mortgage of Building & Factory Land of Malda unit (The Term Loan is repayable in sixteen equal quarterly installments. First Installment from March, 2012)		
(ii) Secured against hypothecation of Plant & Machinery, & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twelve equal quarterly installments. First Installment from May, 2013)	1,000.00	—
UNSECURED LOANS		
Fixed Deposits (includes Rs. 2,84,35,000/- from Directors, previous year Rs. 1,77,28,000/-) (Maturity period ranging from 1 to 3 years)	3,827.95	2,356.73
Security Deposits	133.36	135.06
Other Long Term Liabilities	1,002.53	952.53
	<u>7,451.34</u>	<u>5,555.17</u>
4. DEFERRED TAX LIABILITY (NET)		
As per last Balance Sheet	781.78	758.78
Add : Provision for the year on account of timing difference arising on depreciation as per Income Tax Act & Companies Act and on account of other provisions	330.00	23.00
	<u>1,111.78</u>	<u>781.78</u>
5. SHORT TERM BORROWINGS		
SECURED		
Cash Credit limits from Bank(s)		
(i) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	4,515.03	3,240.10
(ii) Secured against Book Debts	168.10	680.69
UNSECURED		
Short Term Borrowings from Bank(s)	2,500.00	1,500.00
	<u>7,183.13</u>	<u>5,420.79</u>
6. TRADE PAYABLES		
Sundry creditors for goods supplied		
(i) Micro, Small & Medium Enterprises (*)	17.92	31.11
(ii) Others	1,381.49	846.69
Sundry Creditors for Expenses	777.83	466.59
Other Creditors (**)	411.15	244.60
	<u>2,588.39</u>	<u>1,588.99</u>

(*) There was nil amount outstanding for more than 45 days and no overdue amount to any of the above Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. year NIL)

(**) Include Rs. 244.02 lacs (Prev. Year Rs. 189.46 lacs) as advance from Sundry Customers for supply of Goods.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
7. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	1,350.00	850.00
Unclaimed Dividends	64.80	62.25
Taxes payable	108.45	92.84
Interest accrued but not due on Fixed Deposits	201.94	180.37
	<u>1,725.19</u>	<u>1,185.46</u>
8. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	332.09
Corporate Tax on Dividend	62.71	53.87
	<u>431.70</u>	<u>385.96</u>
10. FIXED ASSETS		
Capital Work in Progress		
Building under construction	591.94	698.94
Machinery under Errection	864.65	4,160.70
Furniture / Fixture under Construction	-	11.96
Preoperative Expenses	-	248.56
	<u>1,456.59</u>	<u>5,120.16</u>
11. NON CURRENT INVESTMENTS		
Membership (Investment) – The Country Club (At Cost)	0.65	0.65
UNQUOTED FULLY PAID (AT COST)		
SUBSIDIARIES :		
(i) The Vijoy Steel & General Mills Co. Ltd. 221800 Shares (Prev. Year 221800 shares) of face value Rs. 10/- each	20.90	20.90
(ii) Sukhjit Finance Limited 4622100 Shares (Prev. Year 4617100 shares) of face value Rs. 10/- each	263.31	263.21
(iii) Scott Industries Limited 4400000 Shares (Prev. Year 4400000 shares) of face value Rs. 10/- each	440.00	440.00
	<u>724.21</u>	<u>724.11</u>
INVESTMENT IN GOVT. SECURITIES - UNQUOTED (AT COST)		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF MUTUAL FUNDS UNQUOTED (AT COST)		
UTI GILT Advantage Fund		
Long term plan - Dividend Reinvestment 800000 units (Prev. year 800000 units) of Face value Rs. 10/- per unit	100.22	100.22



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
INVESTMENT IN DEBENTURES / UNITS OF MUTUAL FUNDS		
QUOTED (AT COST)		
(i) Tata Capital Ltd.	100.00	100.00
20 Non-Convertible Secured Debentures (Prev. Year 20 deb.) of Face Value of Rs. 500000/- per debenture		
(ii) Kotak Fixed Maturity Plan (18 M)	-	100.00
Nil units (Pre. Year 1000000 units) of Face Value Rs. 10/- per unit		
(iii) HDFC Yearly Fixed Maturity Plan (13 M)	100.00	-
1000000 units (Pre. Year Nil) of Face Value Rs. 10/- per unit		
(iv) UTI Yearly Fixed Maturity Plan (13 M)	100.00	-
1000000 units (Pre. Year Nil) of Face Value Rs. 10/- per unit		
	<u>300.00</u>	<u>200.00</u>
	<u>1,125.16</u>	<u>1,025.06</u>
Aggregate Amount of Unquoted Investments - Rs. 825.16 lacs (P.Y. Rs. 825.06 lacs)		
Aggregate Amount of Quoted Investments - Rs. 300 lacs (P.Y. 200 lacs)		
Market Value of Quoted Investments - Rs. 309.60 lacs (P.Y. Rs. 204.12 lacs)		
12. LONG TERM LOANS & ADVANCES		
Unsecured - Considered Good	-	107.00
Fixed Deposit with Subsidiaries	136.70	136.70
Advances against Purchase of Property	<u>136.70</u>	<u>243.70</u>
13. OTHER NON CURRENT ASSETS		
Unsecured - Considered Good	268.15	234.35
Security/Other Deposits	<u>268.15</u>	<u>234.35</u>
14. CURRENT INVESTMENTS		
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES		
UNQUOTED (AT COST)		
(i) NIFG Canara Robeco Infrastructure Growth Fund	24.00 ✓	24.00
93095.4228 units (Prev. Year 93095.4228 units) of Face value of Rs. 10/- per unit		
(ii) Reliance Quant Plus Fund	50.00	50.00
362011.917 units (Prev. Year 362011.917 units) of Face value of Rs. 10/- per unit		
(iii) Reliance Dynamic Bond Fund	100.00	-
637930.045 units (Prev. Year Nil units) of Face value of Rs. 10/- per unit		
(iv) UTI Bond Fund	100.00	-
285715.102 units (Prev. Year Nil units) of Face value of Rs. 10/- per unit		



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
(v) Reliance RSF Balanced Fund 216294.784 units (Prev. Year 216294.784 units) of Face value of Rs. 10/- per unit	50.00	50.00
(vi) Reliance Small Cap Fund 749126.529 units (Prev. Year 749126.529 units) of Face value of Rs. 10/- per unit	75.00	75.00
(vii) HDFC Prudence Fund 36107.630 units (Prev. Year 36107.630 units) of Face value of Rs. 10/- per unit	75.00	75.00
(viii) Future Corporate Resources Ltd. Nil Non Convertible Debentures (Prev. Year 5 Deb) of Face Value Rs. 2000000/- per debenture	-	100.85
	<u>474.00</u>	<u>374.85</u>
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES QUOTED (AT COST)		
(i) Kotak Yearly Fixed Maturity Plan 1500000 units (Prev. Year 500000 units) of Face value Rs. 10/- per unit	150.00	50.00
(ii) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value Rs. 1000/- per bond	24.72	24.72
(iii) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 1099990 units) of Face value Rs. 10/- per unit	-	110.00
(iv) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 999990 units) of Face value Rs. 10/- per unit	-	100.00
(v) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 1000000 units) of Face value Rs. 10/- per unit	-	100.00
(vi) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value Rs. 1000000/- per debenture	303.36	303.36
	<u>478.08</u>	<u>688.08</u>
	<u>952.08</u>	<u>1,062.93</u>

Aggregate Amount of Unquoted Investments - Rs. 474 lacs (P.Y. Rs. 374.84 lacs)

Aggregate Amount of Quoted Investments - Rs. 478.08 lacs (P.Y. Rs. 688.08 lacs)

Market Value of Quoted Investments - Rs. 519.60 lacs (P.Y. Rs. 711.27 lacs)



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
15. INVENTORIES		
Raw Materials Basic (at cost or net realisable value whichever is lower)	4,735.89	3,144.88
Stock in Process (at cost or net realisable value whichever is lower)	742.62	512.10
Finished Goods (at cost or net realisable value whichever is lower and By Products at net realisable value)	898.29	822.70
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,951.51	1,362.77
Loose Tools (at cost or net realisable value whichever is lower)	12.59	13.83
	<u>8,340.90</u>	<u>5,856.28</u>
16. TRADE RECEIVABLES		
Unsecured		
Over Six months		
Considered Good	217.94	46.06
Considered Doubtful	21.70	47.52
	<u>239.64</u>	<u>93.58</u>
Less : Provision for Doubtful debts	13.84	9.50
	<u>225.80</u>	<u>84.08</u>
Others Considered Good	4,563.52	3,362.27
	<u>4,789.32</u>	<u>3,446.35</u>
17. CASH AND CASH EQUIVALENTS		
Cash in Hand		
Balance with Scheduled Banks in		
Current Accounts (*)	152.04	83.47
Fixed Deposit Accounts (**)	160.04	54.69
	<u>312.08</u>	<u>138.16</u>
	<u>330.73</u>	<u>156.53</u>
(*) Include Balances of Rs. 64.80 lacs (P.Y. Rs. 62.25 lacs) in the Unclaimed/ Unpaid Dividend Accounts.		
(**) Include deposits of Rs. 60.04 lacs (P.Y. Rs. 54.69 lacs) held as margin money / security against LCs / Bank gaurantees inclusive of, Rs. 7.14 lacs (P.Y. Rs. 5.30 lacs) with the maturity of more than one year.		
18. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good		
Recoverable in cash or kind or for value to be received Considered Good (*)	186.91	253.15
Advances against Capital Goods	143.58	192.06
Advances to Subsidiaries	658.12	817.95
Other Advances	310.51	86.43
Income Tax in advance	2,371.12	2058.41
Less : Provision for Tax	<u>(1,868.00)</u>	<u>(1913.00)</u>
	<u>503.12</u>	<u>145.41</u>
	<u>1,802.24</u>	<u>1,495.00</u>

(*) Include Rs. 70.96 lacs (P.Y. Rs. 157.20 lacs) as Unutilised Cenvat on Capital Goods & Rs. 82.60 lacs (P.Y. Rs. 54.62 lacs) as Advances to Sundry Suppliers for purchase of material.



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
19. OTHER CURRENT ASSETS		
Prepaid Expenses	39.99	35.69
Interest & Other recoverables	67.87	87.67
	<u>107.86</u>	<u>123.36</u>
20. REVENUE FROM OPERATIONS		
(i) Sales		
Starches	12,642.24	10,797.14
Dextrines & Textilose	2,182.78	1,935.54
Glucose	16,446.03	14,839.55
Sorbitol	3,943.20	2,678.45
By-products	8,376.41	6,211.28
Misc. Sales	591.17	516.39
	<u>44,181.83</u>	<u>36,978.35</u>
(ii) Less : Excise Duty	2,310.24	1,633.16
Net Sales (i-ii)	<u>41,871.59</u>	<u>35,345.19</u>
21. OTHER INCOME		
Interest Received	73.32	65.94
Profit on Sale of Assets/Units	31.73	59.76
Other Income (*)	33.76	24.10
	<u>138.81</u>	<u>149.80</u>
(*) Include Rent Received of Rs. 9.34 lacs (P.Y. Rs. 8.01 lacs) & Transport Subsidy of Rs. 15.44 lacs (P.Y. 9.79 lacs)		
22. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	3,144.88	4,048.57
Purchase of Basic Raw Material	27,077.24	20,927.34
	<u>30,222.12</u>	<u>24,975.91</u>
Less Closing Stock of Basic Raw Material	4,735.89	3,144.88
Effective Consumption of Basic Raw Material	25,486.23	21,831.03
Other Raw Materials, Consumables & Stores	2,389.23	2,050.28
	<u>27,875.46</u>	<u>23,881.31</u>
23. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	822.70	369.68
Opening Stock of Work in Progress	512.11	417.21
	<u>1,334.81</u>	<u>786.89</u>
Closing Stock of Finished Goods	898.29	822.70
Closing Stock of Work in Progress	742.62	512.11
	<u>1,640.91</u>	<u>1,334.81</u>
Change in Inventories	<u>(306.10)</u>	<u>(547.92)</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
24. EMPLOYEE BENEFITS EXPENSES		
Wages & Salaries	1,828.42	1,599.41
Cont. to PF, ESI, Superannuation & Other Funds	153.56	131.51
Workmen & Staff Welfare	129.84	127.28
	<u>2,111.82</u>	<u>1,858.20</u>

INFORMATION UNDER AS-15 "EMPLOYEE BENEFITS":

Defined Benefit Plan

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

(Rs. lacs)

	Gratuity Fund with S.B.I. Life Insurance	
	2012-13	2011-12
A Reconciliation of opening & closing balances of Defined Benefit Obligation		
(a) Present Value of Obligation as at the beginning of the year	378.35	322.86
(b) Current Service Cost	37.05	31.41
(c) Interest Cost	29.88	24.83
(d) Actuarial (Gain)/Loss	(4.47)	24.05
(e) Benefit Paid	(19.78)	(24.80)
(f) Present Value of Obligation as at the close of the year	421.03	378.35
B Reconciliation of opening & closing balances of Fair Value of Plan Assets		
(a) Fair Value of Plan Assets as at the beginning of the year	375.95	322.86
(b) Expected Return on Plan Assets	31.96	25.83
(c) Actuarial (Gain)/Loss	1.73	1.61
(d) Actual Company Contribution	58.90	50.45
(e) Benefit Paid	(19.78)	(24.80)
(f) Fair Value of Plan Assets as at the close of the year	448.75	375.95
C Reconciliation of Fair Value of Assets & Obligation		
(a) Present Value of Obligation	421.03	378.35
(b) Fair Value of Plan Assets	448.75	375.95
(c) Amount recognized in the Balance Sheet	27.72	2.40
D Expenses recognized during the year		
(a) Current Service Cost	37.05	31.41
(b) Interest Cost	29.88	24.83
(c) Expected Return on Plan Assets	(31.96)	(25.83)
(d) Actuarial (Gain)/Loss	(11.20)	22.44
(e) Net Cost	23.78	52.85
E Actuarial Assumptions		
(a) Discount Rate (per annum)	8.00%	8.00%
(b) Expected Rate of Return on Assets (per annum)	8.50%	8.00%
(c) Salary Escalation Rate	8.00%	8.00%



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
25. FINANCE COSTS		
Interest Expense	1,386.85	1,100.96
Other Borrowings Cost/Bank Charges	25.17	18.42
	<u>1,412.02</u>	<u>1,119.38</u>
26. OTHER EXPENSES		
MANUFACTURING EXPENSES		
Power and Fuel & Others	5,636.14	4,295.84
Machinery Repair	319.10	281.78
Building Repair	51.55	55.54
	<u>6,006.79</u>	<u>4,633.16</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES		
Printing & Stationery	11.27	13.29
Professional/Legal Expenses	20.56	21.53
Directors' Fee	1.47	1.86
Travelling Expenses	144.01	130.33
Auditors' Remuneration	5.25	4.62
Rent Paid	23.08	23.87
Electricity & Water Charges	30.58	25.04
Entertainment	3.71	4.59
Postage, Telegram & Telephones	24.61	23.42
Advertisement	13.00	9.82
Subscription	12.06	10.97
General Charges	13.02	8.92
Insurance Expenses	40.32	27.83
Other Repairs & Maintenance	24.30	21.74
Commission & Brokerage	398.98	353.61
Provision for Doubtful debts	4.34	9.50
Other Govt. Taxes, Levies & Fees	21.94	22.45
Rebate & Discount	97.92	107.53
Directors' Commission	70.13	67.71
Charity & Donation	12.20	6.05
Carriage & Forwarding Charges	216.80	176.66
	<u>1,189.55</u>	<u>1,071.34</u>
	<u>7,196.34</u>	<u>5,704.50</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Amount (Rs. LaC)

FIXED ASSETS AS ON 31ST MARCH, 2013

TANGIBLE ASSETS

INTANGIBLE ASSETS

ASSETS	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	TOTAL	PREVIOUS YEAR
COST									
Cost as on 1.4.2012	2,395.32	3,461.27	176.71	9,470.88	636.80	271.94	14.61	16,427.53	15,059.37
Additions	52.42	1,139.22	25.92	6,300.06	69.24	52.16	5.54	7,644.56	1,392.80
Sale/Adjustments	-	-	-	-	0.09	29.83	-	29.92	34.64
Total as on 31.3.2013	2,447.74	4,600.49	202.63	15,770.94	705.95	294.27	20.15	24,042.17	16,427.53
DEPRECIATION									
Upto 31.3.2012	-	1,205.65	112.45	3,353.76	326.47	170.60	4.74	5,173.67	4,464.05
For the Year	-	187.49	15.03	591.22	51.17	35.99	4.48	885.38	713.30
On Sale/Adjustments	-	-	-	-	0.05	24.24	-	24.29	3.68
Upto 31.3.2013	-	1,393.14	127.48	3,944.98	377.59	182.35	9.22	6,034.76	5,173.67
NET VALUE									
As at 31.3.2013	2,447.74	3,207.34	75.16	11,825.96	328.36	111.92	10.93	18,007.41	11,253.86
As at 31.3.2012	2,395.32	2,255.62	64.26	6,117.12	310.33	101.34	9.87	11,253.86	



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

1. Figures for the previous year have been recasted/regrouped wherever necessary.
2. Contingent Liabilities not provided for include :
 - (i) **LCs / Bank Guarantees** issued for Rs. 285.14 lacs (Prev. Year Rs. 173.04 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Commissioner of Customs / Jt. Director of Foreign Trade for import of machinery under EPCG licence etc.
 - (ii) **Central Excise Duty** : Disputed liabilities, not provided as expenses in the accounts, comprise Rs. 20.38 crores mainly Rs. 19.12 crores on account of disputed Central Excise Duty excluding penalty and interest. The amount is on account of demand raised by Central Excise Department since 01/04/1997 alleging the sale of Maize Starch as that of Modified Starch. The product has been repeatedly got tested by the Department from its Central Revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance and the matter is subjudice. The Company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include Show Cause Notice concerning demand of Rs. 1.19 crores on exempted goods and the case is pending before The Commissioner, Central Excise. In other cases, the decisions are in favour of the Company and the department is in appeal before the Tribunal.
 - (iii) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : Rs. 6.75 crores (Prev. year Rs. 9.38 crores)
 - (iv) Export obligation pending to be fulfilled is US\$ 19.08 lacs (Prev. year US\$ 32.81 lacs) in next 7 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 13.73 lacs during the year under reference (Prev. Year US\$ 14.36 lacs).
3. National Saving Certificates of Rs. 0.08 lacs (Prev. year Rs. 0.08 lacs) are pledged to the Govt. authorities as security.
4. Short term loans & advances include Rs. 658.12 lacs (Prev. year Rs. 817.95 lacs) due from the subsidiary companies and Long term loans & advances include Nil (Previous year Rs. 107 lacs) as fixed deposit with subsidiary(ies).
5. Earnings per share :

	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (Rs. in Lacs)	2,157.90	2,209.90
(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)	29.24	29.95
(d) Diluted earnings per share Rs. 10/- each (Rs.) (a/b)	29.24	29.95
6. 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		



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

(Amount Rs. Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			5.77 (4.63)	5.77 (4.63)
Remuneration		216.60 (194.60)	65.54 (54.91)	282.14 (249.51)
On account of sales	Nil (19.26)			Nil (19.26)
On account of Purchases	103.28 (114.13)			103.28 (114.13)
Rent received	0.06 (0.12)			0.06 (0.12)

	2012-13 (Rs. Lacs)	2011-12 (Rs. Lacs)
7. (a) Managerial Remuneration paid/payable to the Executive Directors :		
(i) Salaries	136.72	119.62
(ii) Commission	42.08	40.62
(iii) Contribution to retirement benefit funds	11.13	9.62
(iv) Perquisites	26.67	24.74

- (b) Computation of Net Profit u/s 349 of the Companies Act, 1956 for Payment of Commission to Directors :

	2012-13 (Rs. Lacs)	2011-12 (Rs. Lacs)
Net Profit as per Profit & Loss Account	2,835.48	2,766.22
Add : Commission to Directors	70.13	67.71
Directors Sitting Fee	1.47	1.85
	<u>2,907.08</u>	<u>2,835.78</u>
Less : Profit on sale of Assets/Shares	31.73	59.76
Balance :	<u>2,875.35</u>	<u>2,776.02</u>
Commission @ 1% on Net Profits to Directors	28.05	27.08
Commission @ 1.5% on Net Profits to Mg. Director, Jt. Mg. Director & Exe. Director	42.08	40.62
Net Profit (as per Section 349)	<u>2,805.22</u>	<u>2,708.32</u>



NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	2012-13 (Rs. Lacs)	2011-12 (Rs. Lacs)
8. AUDITORS' REMUNERATION INCLUDES :		
Audit Fee	3.50	2.00
Tax Audit Fee	0.42	0.42
For Other Matters	-	-
Reimbursement of out of pocket expenses	1.33 *	1.20 *
(*) Including service tax on Audit fee		
9. EARNINGS IN FOREIGN EXCHANGE		
(i) Export of goods on F.O.B. basis	741.96	695.15
10. VALUE OF IMPORTS ON C.I.F. BASIS (excluding canalised items)		
(i) Components/Spare Parts/Consumables	62.11	8.79
(ii) Capital Goods	212.48	629.43
11. EXPENDITURE IN FOREIGN CURRENCY		
Remittance in foreign currency		
(a) Foreign Travelling Expenses	0.68	11.27
12. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIALS, SPARE PARTS AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION		
(i) Raw Materials		
(a) Imported	-	-
(excluding cannalised items)	-	-
(b) Indigenous	27,640.11	23,663.83
	(100%)	(100%)
(ii) Spare & Components		
(a) Impoted	-	8.79
		(4.04%)
(b) Indigenous	207.86	208.69
	(100%)	(95.96)

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 : 31st May, 2013

S.C. JINDAL
A.K. SARDANA
NARESH SARDANA
K.K. SARDANA
S.K. ANAND
V.P. KAPAH
V.K. SARDANA

DIRECTORS



STATEMENT ON 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 Principles 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/materialized.

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and 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. LEASES

The operating lease where the Company is Lessee and substantially all the risks and rewards of ownership are retained by the Lessor, the lease is classified as operating lease and rentals are charged to the Profit & Loss Account on an accrual basis.

4. 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 a pro-rata basis with reference to the month of addition/installation.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

- (i) Short term employee benefits are charged to the profit and loss account of the year in which the employee renders service. These benefits include Annual leave encashment, Ex-gratia etc.
- (ii) Defined contribution plans comprises contribution to Employees Provident Fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expenses during the periods employees perform services.
- (iii) Defined benefit plans include Gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under separate trust, and charged to the Profit and Loss Account of the relevant year. Contribution to Superannuation Plan for certain category of employees (to provide an agreed benefit) are deposited with the Life Insurance Corporation of India and charged to the Profit and Loss Account on the same basis.



9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

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

Any income or expenditure on account of exchange difference (on transaction) is recognized in the Profit and Loss Account except Long term liabilities relating to the acquisition of Fixed Assets where they are adjusted to the cost of asset and depreciated over the balance life of the asset.

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

- (i) Provision for current tax is made 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.

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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



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, 2013, 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, 2013

Subsidiary Company	Total Assets (in lacs)	Total Revenues (in lacs)
The Vijoy Steel & General Mills Co. Ltd.	154.73	130.53
Sukhjit Finance Ltd.	134.23	2.45
Scott Industries Ltd.	627.01	261.18

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 2013.

- 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, 2013.
- 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
- 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 : 31st May, 2013

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



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2013

	NOTE	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
EQUITY AND LIABILITIES			
1. SHAREHOLDERS' FUNDS			
(a) Share Capital	1	737.98	737.98
(b) Reserves & Surplus	2	15,583.39	13,934.51
(c) Minority Interest		9.09	9.74
		16,330.46	14,682.23
2. NON CURRENT LIABILITIES			
(a) Long Term Borrowings	3	7,405.34	5561.02
(b) Deffered Tax Liability (Net)	4	1,023.07	724.67
(c) Long Term Provisions	5	5.11	29.46
		8,433.52	6,315.15
3. CURRENT LIABILITIES			
(a) Short Term Borrowings	6	7,183.13	5,420.79
(b) Trade Payables	7	2,602.42	1,744.24
(c) Other Current Liabilities	8	1,723.07	1,185.46
(d) Short Term Provisions	9	431.70	385.96
		11,940.32	8,736.45
TOTAL		36,704.30	29,733.83
ASSETS			
1. NON CURRENT ASSETS			
(a) Fixed Assets	10		
(i) Tangible		18,300.68	11,708.99
(ii) Intangible		11.09	9.87
		18,311.77	11,718.86
Less : Lease Equalisation		14.30	14.30
(iii) Capital work in progress	11	1,456.59	5,156.66
		19,754.06	16,861.22
(b) Non Current Investments	12	415.57	315.57
(c) Long Term Loans & Advances	13	144.07	147.75
(d) Other Non Current Assets	14	278.40	242.93
		20,592.10	17,567.47
2. CURRENT ASSETS			
(a) Current Investments	15	966.02	1,076.87
(b) Inventories	16	8,456.84	6,287.77
(c) Trade Receivables	17	5,083.42	3,804.10
(d) Cash & Cash Equivalents	18	338.41	171.23
(e) Short Term Loans & Advances	19	1,159.65	703.02
(f) Other Current Assets	20	107.86	123.36
		16,112.20	12,166.36
TOTAL		36,704.30	29,733.83

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 : 31st May, 2013

DIRECTORS
S.C. JINDAL
A.K. SARDANA
NARESH SARDANA
K.K. SARDANA
S.K. ANAND
V.P. KAPAH
V.K. SARDANA



CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

PARTICULARS	NOTE	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
1. Revenue From Operations	21	42,226.46	35,858.23
2. Other Income	22	70.81	148.61
3. Total Revenue		<u>42,297.27</u>	<u>36,006.84</u>
4. Expenses			
Cost of Materials Consumed	23	27,977.87	24,196.54
Change in Inventories of Finished Goods & Work in Progress	24	(109.41)	(526.53)
Employee Benefits Expenses	25	2,155.54	1,977.98
Financial Costs	26	1,410.07	1,132.78
Depreciation and Amortisation Exp.	10	901.12	756.44
Other Expenses	27	7,236.06	5,855.34
Total Expenses		<u>39,571.25</u>	<u>33,392.55</u>
5. Profit Before Tax (3-4)		2,726.02	2,614.29
6. Provision for Taxation :			
- Current Tax	340.00		545.00
- Deferred Tax	298.40		(2.24)
- Taxes Relating to Previous Yrs.	7.58		(11.68)
		645.98	531.08
7. Profit after Tax		2,080.04	2,083.21
8. Add/(Less) Minority Interest		0.14	2.12
9. Profit for the year		2,080.18	2,085.33
10. Earning per equity share			
(a) Basic		28.19	28.23
(b) Diluted		28.19	28.23
(c) Face Value Per Share (Rs.)		10.00	10.00

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As per our separate report of even date
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Memb. No. 16875
Place : Jalandhar
Dated : 31st May, 2013

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



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the Year Ended 31st March, 2013 (Rs. Lacs)	For the Year Ended 31st March, 2012 (Rs. Lacs)
FLOWS FROM OPERATING ACTIVITIES		
Net Profit before tax	2,726.02	2,614.29
ADJUSTMENTS FOR NON-CASH ITEMS		
Depreciation	901.12	756.44
Provision for sub standard assets	3.69	15.95
Provision for Doubtful debts	20.32	13.51
Provision for gratuity	(23.14)	2.51
ADJUSTMENTS FOR NON-OPERATING ACTIVITIES		
Interest & Dividends received	(73.42)	(66.04)
Interest paid	1,384.49	1,113.23
Loss/(Profit) on sale of assets	59.60	(58.54)
Flows from operations before working capital changes	4,998.68	4,391.35
CHANGES IN WORKING CAPITAL		
Trade and other receivables	(1,419.19)	24.55
Inventories	(2,169.08)	75.33
Trade Payable	858.18	(27.74)
Other Liabilities	35.06	60.86
FLOWS FROM OPERATING ACTIVITIES	2,303.65	4,524.35
Direct Taxes Paid		
Income Tax	(705.29)	(753.44)
NET FLOWS FROM OPERATING ACTIVITIES	1,598.36	3,770.91
FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,974.68)	(5,629.87)
Sale of Fixed Assets	121.12	100.72
Investments made	10.85	81.65
Acquisition of Minority Interest	(0.64)	(2.37)
Interest & Dividend received	73.42	66.04
NET FLOWS FROM INVESTING ACTIVITIES	(3,769.93)	(5,383.83)
FLOWS FROM FINANCING ACTIVITIES		
Borrowings for (Repayments of) working capital Loans	1,762.34	(663.99)
Term Loans raised	1,720.81	3,168.80
Repayment of Term Loan	(850.00)	(212.50)
Other Loans raised	1,473.52	415.27
Dividends paid	(383.42)	(339.58)
Interest paid	(1,384.49)	(1,113.23)
NET FLOWS FROM FINANCING ACTIVITIES	2,338.76	1,254.77
Net Cash Flows during the year	167.18	(358.15)
Cash & cash equivalents at beginning of the year	171.23	529.38
Cash & cash equivalents at the end of the year	338.41	171.23

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 : 31st May, 2013

DIRECTORS

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
1. EQUITY SHARE CAPITAL		
AUTHORISED		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>1,000.00</u>	<u>1,000.00</u>
ISSUED, SUBSCRIBED & PAID UP		
73,79,820 Equity Shares of Rs. 10/- each fully paid up	<u>737.98</u>	<u>737.98</u>
	<u><u>737.98</u></u>	<u><u>737.98</u></u>

The Detail of shareholders holding more than 5% shares :

Name of the shareholders	As on 31st March, 2013		As on 31st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sh. Inder Krishan Sardana	514,395	6.97	494,601	6.70
Sh. Kuldeep Krishan Sardana	540,977	7.33	538,066	7.29
Sh. Dhiraj Sardana	399,080	5.40	390,081	5.29
Sh. Bavdeep Sardana	410,859	5.57	409,394	5.55
Sh. Puneet Sardana	386,747	5.24	377,511	5.12
Sh. Pankaj Sardana	382,167	5.17	369,473	5.01

2. RESERVES & SURPLUS**CAPITAL RESERVE**

Capital Subsidy :	523.41	523.06
Add/(Less) : On Consolidation of Accounts	<u>0.40</u>	<u>0.35</u>
	523.81	523.41

OTHER RESERVE/FUND

Share Premium	87.14	87.14
---------------	--------------	--------------

GENERAL RESERVE

As per Last Balance Sheet	12,961.18	11,461.18
Add : Transferred from Profit & Loss Account	<u>1,500.00</u>	<u>1,500.00</u>
	14,461.18	12,961.18

PROFIT & LOSS ACCOUNT

As per last Balance Sheet	362.78	163.41
Add : Profit for the year	<u>2,080.18</u>	<u>2,085.33</u>
	<u>2,442.96</u>	<u>2,248.74</u>
Less : Appropriations		
(a) Final Dividend (Proposed)	368.99	332.09
(b) Corporate tax on dividend	62.71	53.87
(c) Transferred to General Reserve	<u>1,500.00</u>	<u>1,500.00</u>
Surplus Carried Forward	<u><u>511.26</u></u>	<u><u>362.78</u></u>
	<u><u>15,583.39</u></u>	<u><u>13,934.51</u></u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
3. LONG TERM BORROWINGS		
SECURED LOANS		
Term Loans from Bank(s)	1,487.50	2,110.85
(i) Secured against hypothecation of Plant & Machinery, Building, other fixed assets and Equitable Mortgage of Building & Factory Land of Malda unit (The Term Loan is repayable in sixteen equal quarterly installments. First Installment from March, 2012)		
(ii) Secured against hypothecation of Plant & Machinery, & other movable fixed assets of Gurplah unit. (The Term Loan is repayable in twelve equal quarterly installments. First Installment from May, 2013)	1,000.00	—
(iii) Secured against Vehicles	—	5.84
UNSECURED LOANS		
Fixed Deposits (includes Rs. 2,84,35,000/- from Directors, previous year Rs. 1,77,28,000/-) (Maturity Period ranging from 1 to 3 years)	3,781.95	2,356.73
Security Deposits	133.36	135.06
Other Long Term Liabilities	1,002.53	952.54
	<u>7,405.34</u>	<u>5561.02</u>
4. DEFERRED TAX LIABILITY (NET)		
As per Last Balance Sheet	724.67	726.91
Add : Provision for the year due to timing difference arising on :		
(a) Depreciation as per Income Tax Act & Companies Act	298.08	28.63
(b) Brought forward losses	(7.20)	(30.09)
(c) Gratuity & other provisions	7.52	(0.78)
	<u>298.40</u>	<u>(2.24)</u>
	<u>1,023.07</u>	<u>724.67</u>
5. LONG TERM PROVISIONS		
Provision for Gratuity	5.11	29.46
	<u>5.11</u>	<u>29.46</u>
6. SHORT TERM BORROWINGS		
SECURED		
Cash Credit from Bank(s)		
(a) Secured against hypothecation of raw material, stores, semi-finished goods and finished goods	4,515.03	3,240.10
(b) Secured against Book Debts	168.10	680.69
UNSECURED		
Short Term Borrowings from Bank(s)	2,500.00	1,500.00
	<u>7,183.13</u>	<u>5,420.79</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
*7. TRADE PAYABLES		
Sundry creditors for goods supplied	17.92	31.11
(a) Micro, Small & Medium Enterprises (*)	1,387.19	938.38
(b) Others	786.11	482.77
Sundry Creditors for Expenses	411.20	291.98
Other Creditors (**)	<u>2,602.42</u>	<u>1,744.24</u>
(*) There was nil amount outstanding for more than 45 days and no overdue amount to any of the above Micro, Small & Medium Enterprise, so no interest was payable/paid during the year (Prev. Year NIL) (**) Include Rs. 244.02 lacs (P.Y. Rs. 189.46 lacs) as advance from Sundry Customers for supply of Goods.		
8. OTHER CURRENT LIABILITIES		
Term Loan Repayment to the Bank(s) within the year	1,350.00	850.00
Unclaimed Dividends	64.80	62.25
Taxes payable	108.45	92.84
Interest accrued but not due on Fixed Deposits	199.82	180.37
	<u>1,723.07</u>	<u>1,185.46</u>
9. SHORT TERM PROVISIONS		
Proposed Dividend	368.99	332.09
Corporate Tax on Dividend	62.71	53.87
	<u>431.70</u>	<u>385.96</u>
11. FIXED ASSETS		
Capital Work in Progress		
Building under construction	591.94	735.44
Machinery under Errection	864.65	4,160.70
Furniture / Fixutre under Construction	-	11.96
Preoperative Expenses	-	248.56
	<u>1,456.59</u>	<u>5,156.66</u>
12. NON CURRENT INVESTMENTS		
Membership (Investment) - The Country Club (At Cost)	0.65	0.65
INVESTMENT IN GOVT. SECURITIES - UNQUOTED (AT COST)		
National Saving Certificate	0.08	0.08
INVESTMENT IN UNITS OF MUTUAL FUNDS		
UNQUOTED (AT COST)		
UTI GILT Advantage Fund	100.22	100.22
Long term plan - Dividend Reinvestment		
800000 units (Prev. Year 800000 units)		
of Face value Rs. 10/- per unit		
UNQUOTED FULLY PAID - OTHERS (AT COST)	85.80	85.80
(i) Hindustan Engineering & Industries Ltd.		
70152 shares of Rs. 10/- each fully paid up and		
245848 shares of Rs. 10/- each of Malanpur Steel Ltd. issued		
in lieu of 316000 shares of Hindustan Development Corp. Ltd.		



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
(ii) Santosh Securities Ltd.	1.75	1.75
5000 shares of Rs. 10/- each fully paid up		
Less : Provision for Sub Std. Investments	<u>(72.93)</u>	<u>(72.93)</u>
	14.62	14.62

INVESTMENT IN DEBENTURES/UNITS OF MUTUAL FUNDS
QUOTED (AT COST)

(i) Tata Capital Ltd.	100.00	100.00
20 Non-Convertible Secured Debentures (Pre. Year 20 deb.) of Face Value of Rs. 500000/- per debenture		
(ii) Kotak Fixed Maturity Plan (18 M)	-	100.00
1000000 units (Pre. Year Nil) of Face Value Rs. 10/- per unit		
(iii) HDFC Yearly Fixed Maturity Plan (13 M)	100.00	-
1000000 units (Pre. Year Nil units) of Face Value Rs. 10/- per unit		
(iv) UTI Yearly Fixed Maturity Plan (13 M)	100.00	-
1000000 units (Pre. Year Nil) of Face Value Rs. 10/- per unit		
	<u>300.00</u>	<u>200.00</u>
	<u>415.57</u>	<u>315.57</u>

Aggregate Amount of Unquoted Investments - Rs. 115.57 lacs (P.Y. Rs. 115.57)

Aggregate Amount of Quoted Investments - Rs. 300 lacs (P.Y. 200 lacs)

Market Value of Quoted Investments - Rs. 309.60 lacs (P.Y. Rs. 204.12 lacs)

13. LONG TERM LOANS & ADVANCES

Unsecured - Considered Good

Advances against Purchase of Property

Other Loans & Advances

Less : Provision for Sub Standard Assets

136.70	136.70
73.70	73.70
<u>(66.33)</u>	<u>(62.65)</u>
<u>144.07</u>	<u>147.75</u>

14. OTHER NON CURRENT ASSETS

Unsecured - Considered Good

Security/Other Deposits

278.40	242.93
<u>278.40</u>	<u>242.93</u>

15. CURRENT INVESTMENTS

INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES
UNQUOTED (AT COST)

(i) NIFG Canara Robeco Infrastructure Growth Fund	24.00	24.00
93095.4228 units (Prev. Year 93095.4228 units) of Face value of Rs. 10/- per unit		
(ii) Reliance Quant Plus Fund	50.00	50.00
362011.917 units (Prev. Year 362011.917 units) of Face value of Rs. 10/- per unit		



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
*(iii) Reliance Dynamic Bond Fund 637930.045 units (Prev. Year Nil units) of Face value of Rs. 10/- per unit	100.00	-
(iv) UTI Bond Fund 285715.102 units (Prev. Year Nil units) of Face value of Rs. 10/- per unit	100.00	-
(v) Reliance RSF Balanced Fund 216294.784 units (Prev. Year 216294.784 units) of Face value of Rs. 10/- per unit	50.00	50.00
(vi) Reliance Small Cap Fund 749126.529 units (Prev. Year 749126.529 units) of Face value of Rs. 10/- per unit	75.00	75.00
(vii) HDFC Prudence Fund 36107.630 units (Prev. Year 36107.630 units) of Face value of Rs. 10/- per unit	75.00	75.00
(viii) Future Corporate Resources Ltd. Nil Non Convertible Debentures (Prev. Year 5 Deb) of Face Value Rs. 2000000/- per debenture	-	100.85
	<u>474.00</u>	<u>374.85</u>
INVESTMENT IN UNITS OF MUTUAL FUNDS / DEBENTURES QUOTED (AT COST)		
(i) Kotak Yearly Fixed Maturity Plan 1500000 units (Prev. Year 500000 units) of Face value Rs. 10/- per unit	150.00	50.00
(ii) National Highway Authority of India 2472 Bonds (Prev. Year 2472 Bonds) of Face value Rs. 1000/- per bond	24.72	24.72
(iii) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 1099990 units) of Face value Rs. 10/- per unit	-	110.00
(iv) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 999990 units) of Face value Rs. 10/- per unit	-	100.00
(v) UTI Yearly Fixed Maturity Plan Nil units (Prev. Year 1000000 units) of Face value Rs. 10/- per unit	-	100.00
(vi) Tata Power Co. Ltd. 30 Non Convertible Secured Debentures (Prev. Year 30 Deb) of Face Value Rs. 1000000/- per debenture	303.36	303.36
	<u>478.08</u>	<u>688.08</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
QUOTED FULLY PAID - OTHERS (AT COST)		
(i) Sanghi Polyester Ltd. 4900 shares (Prev. Year 4900 shares) of Rs. 10/- each fully paid up	0.26	0.26
(ii) Reliance Industries Ltd. 300 shares (Prev. Year 300 shares) of Rs. 10/- each fully paid up	0.12	0.12
(iii) PTL Enterprises Ltd. 5000 shares (Prev. Year 5000 shares) of Rs. 10/- each fully paid up	1.26	1.26
(iv) Tele Data Informatics Ltd. 29122 shares (Prev. Year 29122 shares) of Rs. 10/- each fully paid up 6761 shares (Prev. Year 6761 shares) of Tele Data Marine Ltd. 6761 shares (Prev. Year 6761 shares) of Tele Data Tehnology Solution Ltd.	11.39	11.39
(v) T T Ltd. 3625 shares (Prev. Year 3625 shares) of Rs. 10/- each fully paid up	0.43	0.43
(vi) Tata Tele Services Ltd. 2000 shares (Prev. Year 2000 shares) of Rs. 10/- each fully paid up	0.48	0.48
	<u>13.94</u>	<u>13.94</u>
	<u>966.02</u>	<u>1,076.87</u>

Aggregate Amount of Quoted Investments - Rs. 474 lacs (P.Y. 374.84 lacs)

Aggregate Amount of Unquoted Investments - Rs. 492.02 lacs (P.Y. Rs. 702.02 lacs)

Market Value of Quoted Investments - Rs. 524.07 lacs (P.Y. Rs. 716.67 lacs)

16. INVENTORIES

Raw Materials Basic (at cost or net realisable value whichever is lower)	4,810.75	3,334.81
Stock in Process (at cost or net realisable value whichever is lower)	742.62	623.14
Finished Goods (at cost or net realisable value whichever is lower and Bye Products at net realisable value)	939.38	949.45
Stores, Spares, Fuel & Other Raw Materials (at cost or net realisable value whichever is lower)	1,951.50	1,366.55
Loose Tools (at cost or net realisable value whichever is lower)	12.59	13.83
	<u>8,456.84</u>	<u>6,287.77</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	AS ON 31.3.2013 (RS. LACS)	AS ON 31.3.2012 (RS. LACS)
17. TRADE RECEIVABLES		
Unsecured		
Over Six months		252.38
Considered Good	424.25	205.27
Considered Doubtful	168.81	457.65
	593.06	57.71
Less : Provision for Doubtful Debts	73.16	399.94
	519.90	3,404.16
Other Considered Goods	4,563.52	3,804.10
	<u>5,083.42</u>	<u>3,804.10</u>
18. CASH AND CASH EQUIVALENTS		
Cash in Hand	20.37	20.82
Balance with Scheduled Banks in		95.72
Current Accounts (*)	158.00	54.69
Fixed Deposit Accounts (**)	160.04	150.41
	318.04	171.23
	<u>338.41</u>	<u>171.23</u>
(*) Include Balances of Rs. 64.80 lacs (P.Y. Rs. 62.25 lacs) in the Unclaimed / Unpaid Dividend Accounts. (**) Include deposits of Rs. 60.04 lacs (P.Y. Rs. 54.69 lacs) hed as margin money / security against LCs / Bank guarantees inclusive of, Rs. 7.14 lacs (P.Y. Rs. 5.30 lacs) with the maturity of more than one year.		
19. SHORT TERM LOANS & ADVANCES		
Unsecured - Considered Good	201.49	279.12
Recoverable in cash or kind or for value to be received Considered Good (*)	143.58	192.06
Advance against Capital Goods	311.46	86.43
Other Advances		
Income Tax in advance	2,371.12	2,058.41
Less : Provision For Tax	(1,868.00)	(1,913.00)
	503.12	145.41
	<u>1,159.65</u>	<u>703.02</u>
(*) Include Rs. 70.96 lacs (P.Y. Rs. 157.20 lacs) as Unutilized Cenvat on Capital Goods & Rs. 82.60 lacs (P.Y. Rs. 54.62 lacs) as advance to sundry supplier for purchase of material.		
20. OTHER CURRENT ASSETS		
Prepaid Expenses	39.99	35.69
Interest & Other recoverables	67.87	87.67
	<u>107.86</u>	<u>123.36</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

	FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
21. REVENUE FROM OPERATIONS		
Sales	44,537.76	37,546.82
Less : Excise Duty	2,311.30	1,688.59
Net Sales (i - ii)	<u>42,226.46</u>	<u>35,858.23</u>
22. OTHER INCOME		
Interest Received	73.32	65.94
Dividend Received	0.10	0.10
Profit on Sale of Assets/Units	(59.60)	58.54
Other Income (*)	56.99	24.03
	<u>70.81</u>	<u>148.61</u>
(*) Include Rent Received of Rs. 9.34 lacs (P.Y. Rs. 8.01 lacs) & Transport Subsidy of Rs. 15.44 lacs (P.Y. 9.79 lacs)		
23. COST OF MATERIALS CONSUMED		
Opening Stock of Basic Raw Material	3,334.81	4,228.61
Purchase of Basic Raw Material	27,069.11	21,234.96
	<u>30,403.92</u>	<u>25,463.57</u>
Less Closing Stock of Basic Raw Material	4,810.75	3,334.81
Effective Consumption of Basic Raw Material	25,593.17	22,128.76
Other Raw Materials, Consumables & Stores	2,384.70	2,067.78
	<u>27,977.87</u>	<u>24,196.54</u>
24. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS		
Opening Stock of Finished Goods	949.45	494.98
Opening Stock of Work in Progress	623.14	551.08
	1,572.59	1,046.06
Closing Stock of Finished Goods	939.38	949.45
Closing Stock of Work in Progress	742.62	623.14
	1,682.00	1,572.59
Change in Inventories	<u>(109.41)</u>	<u>(526.53)</u>
25. EMPLOYEE BENEFITS EXPENSES		
Wages & Salaries	1,864.27	1,706.72
Cont. to PF, ESI, Superannuation & Other Funds	157.51	137.74
Workmen & Staff Welfare	133.76	133.52
	<u>2,155.54</u>	<u>1,977.98</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

		FOR THE YEAR ENDED 31.3.2013 (RS. LACS)	FOR THE YEAR ENDED 31.3.2012 (RS. LACS)
26. FINANCE COSTS			
Interest		1,384.49	1,113.23
Other Borrowings Cost/Bank Charges		25.58	19.55
		<u>1,410.07</u>	<u>1,132.78</u>
27. OTHER EXPENSES			
MANUFACTURING EXPENSES			
Power and Fuel & Others	5,645.21		4,309.27
Machinery Repair	316.94		273.59
Building Repair	51.55		55.54
Other Charges	-		85.60
		<u>6,013.70</u>	<u>4,724.00</u>
ADMINISTRATIVE, SELLING & DISTRIBUTION EXPENSES			
Printing & Stationery	11.40		13.96
Professional/Legal Expenses	21.74		23.54
Directors' Fee	1.47		1.86
Travelling Expenses	146.17		136.59
Auditors' Remuneration	5.90		5.39
Rent Paid	23.08		23.87
Electricity & Water Charges	30.58		25.04
Entertainment	3.71		5.06
Postage, Telegram & Telephones	25.76		26.82
Advertisement	13.00		9.89
Subscription	12.06		10.97
General Charges	14.89		9.96
Insurance Expenses	41.53		29.52
Other Repairs & Maintenance	26.11		26.35
Commission & Brokerage	398.98		364.19
Provision for Doubtful debts	20.32		13.51
Other Govt. Taxes, Levies & Fees	22.43		23.16
Rebate & Discount	100.09		110.12
Directors' Commission	70.18		67.71
Charity & Donation	12.20		6.05
Provision for Sub Std. Assets	3.69		15.95
Carriage & Forwarding Charges	217.07		181.83
		<u>1222.36</u>	<u>1,131.34</u>
		<u>7236.06</u>	<u>5,855.34</u>



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

NOTE : 10

FIXED ASSETS (CONSOLIDATED) AS ON 31ST MARCH, 2012

Amount (Rs. Lacs)

PARTICULARS	ASSETS								TOTAL PREVIOUS YEAR
	LAND	BUILDING	FURNITURE & FIXTURE	PLANT & MACHINERY	ELECTRIC FITTING & OTHER EQUIPMENT	VEHICLES	COMPUTER SOFTWARE	31.03.2013	
OWNED ASSETS									
COST									
Cost as on 1.4.2012	2,477.05	3,661.89	189.19	9,807.97	677.36	304.35	14.61	17,132.42	15,750.58
Additions	52.42	1,139.22	25.93	6,300.06	99.24	52.16	5.72	7,674.75	1,446.32
Sale/Adjustments	-	-	10.61	290.98	0.09	38.52	-	340.20	64.48
Total as on 31.3.2013	2,529.47	4,801.11	204.51	15,817.05	776.51	317.99	20.33	24,466.97	17,132.42
DEPRECIATION									
Upto 31.3.2012	-	1,283.67	122.32	3,543.42	355.41	187.06	4.73	5,496.61	4,773.57
For the Year	-	192.39	15.20	593.61	54.07	38.24	4.51	898.02	745.33
On Sale/Adjustments	-	-	8.24	160.74	0.05	36.94	-	205.97	22.29
Upto 31.3.2013	-	1,476.06	129.28	3,976.29	409.43	188.36	9.24	6,188.66	5,496.61
NET VALUE									
As on 31.3.2013	2,529.47	3,325.05	75.23	11,840.76	367.08	129.63	11.09	18,278.31	11,635.81
As on 31.3.2012	2,477.05	2,378.22	66.87	6,264.55	321.95	117.29	9.88	11,635.81	
ASSETS GIVEN ON LEASE :									
COST									
Cost as on 1.4.2012	-	-	-	308.77	10.77	-	-	319.54	319.54
Additions	-	-	-	-	-	-	-	-	-
Sale/Adjustments	-	-	-	148.95	-	-	-	148.95	-
Total as on 31.3.2013	-	-	-	159.82	10.77	-	-	170.59	319.54
DEPRECIATION									
Upto 31.3.2012	-	-	-	227.70	8.79	-	-	236.49	212.47
For the Year	-	-	-	2.82	0.28	-	-	3.10	12.90
On Sale/Adjustments	-	-	-	102.46	-	-	-	102.46	-
Upto 31.3.2013	-	-	-	128.06	9.07	-	-	137.13	225.37
NET VALUE									
As on 31.3.2013	-	-	-	31.76	1.70	-	-	33.46	94.17
As on 31.3.2012	-	-	-	81.07	1.98	-	-	83.05	107.07
GRAND TOTAL									
As at 31.3.2013	2,529.47	3,325.05	75.23	11,872.52	368.78	129.63	11.09	18,311.77	11,729.98



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

28. 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.
29. The previous year figures have been recast/regrouped wherever necessary.
30. The subsidiaries (which along with The Sukhjit Starch & Chemicals Limited, the parent, constitute the Group) considered in the preparations of these consolidated financial statements are :

Name

Percentage of Voting Power

As at 31.3.2013

The Vijoy Steel & General Mills Co. Limited

96.17%

Sukhjit Finance Limited

93.38%

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.

31. 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.
32. Contingent Liabilities not provided for include :
 - (a) **LCs / Bank Guarantees** issued for Rs. 285.14 lacs (Prev. Year Rs. 173.04 lacs) in favour of West Bengal State Electricity Board & Himachal Pradesh Electricity Board, for Power connection of Malda unit and Himachal Pradesh State Electricity Board for power connection of Malda unit & Gurplah unit, Commissioner of Customs / Jt. Director of Foreign Trade for import of machinery under EPCG licence etc.
 - (b) **Central Excise Duty** : Disputed liabilities, not provided as expenses in the accounts, comprise Rs. 20.38 crores mainly Rs. 19.12 crores on account of disputed Central Excise Duty excluding penalty and interest. The amount is on account of demand raised by Central Excise Department since 1.4.1997 alleging the sale of Maize Starch as that of Modified Starch. The product has been repeatedly got tested by the Department from its Central revenue Laboratory where it has been clearly held to be Maize Starch. So the demand is totally baseless and without any substance and the matter is subjudice. The Company has been manufacturing Maize Starch by following the standard Wet Milling Process for the last many decades and the product is sold and accepted by the market as Maize Starch, so the company does not foresee any liability to crystallize on this account. Other items include Show Cause Notice concerning demand of Rs. 1.19 crores on exempted goods and the case is pending before The Commissioner, Central Excise. In other cases, the decisions are in favour of the Company and the department is in appeal before the Tribunal.
 - (c) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances) : Rs. 6.75 crores (Prev. year Rs. 9.38 crores)
 - (d) Export obligation pending to be fulfilled is US\$ 19.08 lacs (Prev. year US\$ 32.81 lacs) in next 7 years under EPCG scheme of the Central Government against import of capital goods at concessional rates. The company has achieved an export turnover of US\$ 13.73 lacs during the year under reference (Prev. Year US\$ 14.36 lacs).

33. Earnings per share :

	Current Year	Previous Year
(a) Net profit after tax available for Equity shareholders (Rs. in Lacs)	2,080.04	2083.21
(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 of Rs. 10/- each (Rs.) (a/b)	28.19	28.23
(d) Diluted earnings per share of Rs. 10/- each (Rs.) (a/b)	28.19	28.23



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

34. 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. Lacs)

Particulars	Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Total
Rent Paid			5.77 (4.63)	5.77 (4.63)
Remuneration		216.60 (194.60)	65.54 (54.91)	282.14 (249.51)
On account of sales	NIL (19.26)			NIL (19.26)
On account of Purchases	103.28 (114.13)			103.28 (114.13)
Rent received	0.06 (0.12)			0.06 (0.12)

	2012-13 (Rs. Lacs)	2011-12 (Rs. Lacs)
35. Managerial Remuneration paid/payable to the Executive Directors		
(i) Salaries	136.72	119.62
(ii) Commission	42.08	40.62
(iii) Contribution to retirement benefit funds	11.13	9.62
(iv) Perquisites	26.67	24.74

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

PRIMARY SEGMENT INFORMATION
For the year ended March 31, 2013 (Rs. Lacs)

Business Segment	Starch & its Derivatives		Readymade 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
1. Segment Revenue												
– External Sales	42,010.34	35,494.87	261.18	413.72	2.45	0.10	116.99	99.36	–	–	42,390.96	36,008.05
– Internal Sales	0.06	0.12	–	–	–	–	13.54	23.76	(13.60)	(23.88)		
Total Revenue	42,010.40	35,494.99	261.18	413.72	2.45	0.10	130.53	123.12	(13.60)	(23.88)	42,390.96	36,008.05
2. Segment Result												
– Profit before Tax	2,835.42	2,766.10	(112.61)	(117.39)	(5.14)	(27.84)	8.33	(6.60)	–	–	2,726.00	2,614.29
– Provision for Taxation	(677.58)	(556.32)	34.18	24.20			(2.59)	1.05	–	–	(646.00)	(531.07)
– Profit after Taxation	2,157.84	2,209.78	(78.43)	(93.19)	(5.14)	(27.84)	5.74	(5.55)	–	–	2,080.01	2,083.22
3. Segment Assets												
– Segment assets	37,317.14	30,017.56	542.13	953.89	134.23	165.70	150.90	245.73	(1,440.10)	(1,794.46)	36,704.30	29,733.83
– Segment Liabilities	19,379.75	14,136.37	555.74	854.89	0.05	26.38	131.07	234.23	(715.84)	(924.94)	19,350.77	14,326.93
– Capital Expenditure	3,980.99	5,586.77	30.00	33.73	0.00	18.54	0.18	1.25	–	–	4,011.17	5,640.30



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 Principles 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/materialized.

2. FIXED ASSETS

The fixed assets are accounted for at their original cost of acquisition and subsequent improvements thereto including duties, taxes, freight and 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. LEASES

The operating lease where the Company is Lessee and substantially all the risks and rewards of ownership are retained by the Lessor, the lease is classified as operating lease and rentals are charged to the Profit & Loss Account on an accrual basis.

4. 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 a pro-rata basis with reference to the month of addition/installation.

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 a pro-rata basis, with reference to the month of addition / installation. A Lease equalization account has been created representing the difference between annual lease charged and Statutory depreciation as per guidelines issued by The Institute of Chartered Accountants of India, in this regard.

5. IMPAIRMENT

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

6. INVESTMENTS

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

7. INVENTORIES

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

8. EMPLOYEE BENEFITS

- (i) Short term employee benefits are charged to the profit and loss account of the year in which the employee renders service. These benefits include Annual leave encashment, Ex-gratia etc.
- (ii) Defined contribution plans comprises contribution to Employees Provident Fund, Employee Pension Scheme and Employee State Insurance which are deposited with the Government. These contributions are recognized as expenses during the periods employees perform services.
- (iii) Defined benefit plans include Gratuity which is determined on the basis of actuarial valuation at the end of the year and contributions are deposited with SBI Life Insurance Company Ltd. under separate trust,



and charged to the Profit and Loss Account of the relevant year. Contribution to superannuation plan for certain category of employees (to provide an agreed benefit) are deposited with the Life Insurance Corporation of India and charged to the Profit & Loss Account on the same basis.

9. REVENUE RECOGNITION

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

10. FOREIGN CURRENCY TRANSACTIONS

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

Any income or expenditure on account of exchange difference (on transaction) is recognized in the Profit and Loss Account except Long term liabilities relating to the acquisition of Fixed Assets where they are adjusted to the cost of asset and depreciated over the balance life of the asset.

11. RESEARCH AND DEVELOPMENT EXPENDITURE

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

12. TAXATION

- (i) Provision for current tax is made 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 a reasonable certainty that these assets can be realized in future.

13. GOVERNMENT GRANTS/SUBSIDIES

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

14. BORROWING COSTS

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

15. PROVISIONS/CONTINGENCIES

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



FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

(AMT. RS. LACS)

Particulars	Sukhjit Finance Limited	Scott Industries Limited	Vijoy Steel & General Mills Co. Limited
Issued and Subscribed Share Capital	495.00	440.14	23.06
Reserves & Surplus / (Accumulated Losses)	(360.82)	(368.87)	0.60
Total Assets	134.23	627.01	154.72
Total Liabilities	134.23	627.01	154.72
Investments	28.56	-	-
Revenue from Operations	2.45	261.18	130.53
Profit / (Loss) before taxation	(5.14)	(112.60)	8.33
Provision for taxation (including Deffered Tax)	-	34.18	(2.58)
Profit / (Loss) after taxation	(5.14)	(78.42)	5.75
Proposed Dividend (if any)	Nil	Nil	Nil



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

ATTENDENCE 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 69th Annual General Meeting of the company held on Tuesday, the 6th day of August, 2013 at 10.00 A.M. at Regd. Office of the Company at Phagwara-144401.

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

.....
Signature of the Shareholder

Folio No.....

.....
Signature of the Proxy

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

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 69th ANNUAL GENERAL MEETING of the Company, to be held on
Tuesday, the 6th day of August, 2013 and any adjournment thereof.

Signed this.....day of.....2013.

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.