

Certificate of Registration

CERTIFICATIONS LIMITED

THE SUKHJIT STARCH & CHEMICALS LTD.

Sarai Road, Phagwara, Distt. Kapurthala - 144 401 Punjab; (INDIA)

Equalitias Certifications Limited certifies that the Management System of the above mentioned company has been assessed and meets the requirements established by the following rules:

ISO 9001:2008

The management system includes:

MANUFACTURE OF MAIZE STARCH, DEXTRINS, MODIFIED STARCHES & ITS BY PRODUCTS AND DERIVATIVES LIKE GLUTEN. MAIZE OIL MAIZE OIL CAKE, DEXTROSE MONOHYDRATE. DEXTROSE ANHYDROUS, SORBITOL AND

Certificate No.:

Q +91-0014

ANZSIC Code:

C 2140, C 2151

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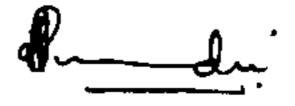
Audit date : Date of issue :

27 Aug 2010 27 Aug 2010

Expriation data: 23 Aug 2013









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Equalitas Certifications Limited

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Certificate of Registration

THE SUKHJIT AGRO INDUSTRIES

(A UNIT OF THE SUKHJIT STARCH & CHEMICALS LTD.)

VILL. GUR PLAH (BATHU) SUB. TEH. HAROLI, DISTT. UNA-174 301 (H.P); INDIA

Equalities **Cortifications Limited certifies** that the Managem**ent Syst**em of t**he above** mentioned. company has been assessed and meets the requirements established by the following rules :

ISO 9001:2008

The managent stem includes:

MANUFACTURE & SUPPLY OF MAIZE STARCH, ITS BY PRODUCTS LIKE GLUTEN, GERM, BRAN (COARSE & FINE) & DERIVATIVES LIKE DEXTRINES, MODIFIED STARCHES, LIQUID GLUCOSE, DEXTROSE MONOHYDRATE, HIGH MALTOSE SYRUP

Certificate No.

Q +91-0109

ANZSIC Code:

C 2151

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Valid From

31 May 2011

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06 Jun 2013







Equalitas Certifications Limited

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CERTIFICATE

Certificate no. 3710

SUKHJIT AGRO INDUSTRIES

(A UNIT OF THE SUKHJIT STARCH & CHEMICALS LTD.) VILL. GUR PLAH (BATHU) SUB. TEH. HAROLI, DISTT. UNA (H.P.) 174-301. INDIA.



OS Zürich AG certifies that the Management System of the above mentioned company has been assessed and meets the requirements established by the following rules :

WHICH HAS BEEN IN CONFORMANCE TO THE REQUIREMENTS OF

WHO-GMP

The management system includes :

MANUFACTURE & SUPPLY OF MAIZE STARCH, ITS BYPRODUCTS LIKE GLUTEN, GERM, BRAN (COARSE & FINF) & DERIVATIVES LIKE DEXTRINES, MODIFIED STARCHES, LIQUID GLUCOSE, DEXTROSE MONOHYDRATE, HIGH MALTOSE SYRUP & MALTO DEXTRINE (POWDER & SYRUP)

EA Sector 3

In the course of the validity of the present certificate the enterprise management system must permanently satisfy the requirements of the international regulations.

The fulfilment of these regulations will be regularly controlled by QS Zürich AG.

For precise and updated information concerning possible changes occurred in the pertification object of the present certificate, prease contact gazeptst gmail com



Audit cate : 19,04 2008

Oate of issue : 21,04,2008

Expiration date : 20,04,2011

OS Zurich AG P.O. Box 6335 CH-8050 Zühen qs-zuerich@guaidv-servige on



Direction



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Quality Management System of

SUKHJIT STARCH MILLS.

Mubaraknagar, Nizamabad-503 003, INDIA.

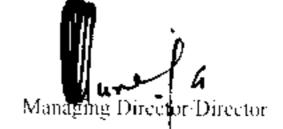
complies with the requirements of

ISO 9001:2008

This certificate is valid concerning all activities related to:

Manufacturing and Supply of Maize Starch, Liquid Glucose, Malto Dextrin, Modified Starches and By Products. ANZSIC Code: C 2174, C 2179

Jan. 07, 2009 Jan. 01, 2012 4451 Date of issue Valid until* Certificate No.









TRANSPACIFIC CERTIFICATIONS LIMITED

Website : www.to.comfications.com | Elmail influ@ti.certifications.com Ascretifation by Jon (Appreciation System of Australia and New Zeward, Appreciation for \$264000) in . 11, London Circuit, Camberra, Act 2600, AUSTRALIA

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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. J.K. Sardana-Managing Director

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

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

BANKERS

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

AUDITORS

M/s Y.K. Sud & Company Chartered Accountants Durga Niwas, Opp. Friends Cinema, Jalandhar.

REGISTERED OFFICE

Phagwara-144 401 (Pb.)

REGISTRAR & SHARE TRANSFER AGENTS

M/s. Skyline Financial Services (Pvt.) Ltd. D-153A, Ist Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

Tel.: 011-26812682, 83

Fax: 011-26812684

ANNUAL REPORT & ACCOUNTS 2010-2011



NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the Members of The Sukhjit Starch & Chemicals to, will be held at the Registered Office of the Company, at Phagwara, on Wednesday, the 27th day of July, 2011 at 10.00 A.M. to transact the following business :

ORDINARY BUSINESS

- To receive, consider and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit & Loss Account for the year ended 31.3,2011.
- To declare final dividend on the Equity Shares for the year ended 31.3.2011.
- 3. To appoint Director in place of Shri S.K. Ariand who retires by rotation and being eligible, offers himself for re-appointment
- To appoint Director in place of Shri V.P. Kapahi who refires by rotation and being eligible, offers himself for re appointment.
- 5 To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that pursuant to the provisions of Sub Section (18) of Section 314 and other applicable provisions of the Companies Act. 1956, if any read with the Directors Relatives (office or place of profit) Rules, 2003, consent of the company be and is hereby granted to increase/revise the salary of Shri Bhavdeep Sardana, Sr. Vice President & CEO, for the time being of the Gurplah Unit of the Company as per particulars given in the Explanatory Statement.

Further Resolved that the Board of Directors be and is hereby authorized to effect such modification(s) in the remuneration of Shri Bhavdeep Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Bhavdeep Sardana, with in the overall limits prescribed under the Act/Rules."

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

"Resolved that pursuant to the provisions of Section (1B) of Section 314 and other applicable provisions of the Companies Act, 1956, if any, read with the Directors Relatives (office or place of profit) Rules, 2003, consent of the company be and is hereby granted to increase/revise the salary of Shri Dhiraj Sardana, Sr. Vice President & CEO, for the time being of the Malda Unit of the Company as per particulars given in the Explanatory Statement.

further Resolved that the Board of Directors be and is hereby authorized to effect such modification(s) in the remuneration of Shri Dhiraj Sardana as per the provisions of the Act and as may be agreed to between the Board of Directors and Shri Dhiraj Sardana, with in the overall limits prescribed under the Act/Rules."

By Order of the Board

Sd/- |

S.M. JINDAL

Dated : 11th June, 2011 Executive Director & Secretary

NOTES:

Place : Phagwara

- 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 FIGHT HOURS
 before the commencement of the meeting.
- 2. The Shareholders, intending to seek any clarification on the accounts, in the meeting, are requested to inform the company at least seven days in advance from the date of the Annual General Meeting. A copy of the Balance Sheet as at 31.3 2011 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.



- The Register of Members and the Share Transfer Books of the Company shall remain closed from 16th July, 2011 to 27th July, 2011 (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. The Dividend Warrants, to the resident members of the Company, will be posted within 30 days from the date of declaration of dividend.
- 6. The Members are hereby informed that the Dividends, which remain unclaimed/unencashed over a period of 7 years, have to be transferred by the Company to the Investor Education & Protection Fund (IEPF) constituted by the Central Government under section 205C of the Companies Act, 1956. Further, under the amended provisions of the Companies Act, 1956, no claim shall lie for the unclaimed dividend either from the company or from IEPF thereafter.
- 7. The Members, who have not encashed their dividend warrants for the financial year 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010 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
2003-2004	17.09.2004	16.09.2011
2004-2005	27.09.2005	26.09.2012
2005-2006	20.09.2006	19.09.2013
2006-2007	12.09.2007	11.09.2014
2007-2008	27.08.2008	26.08.2015
2008-2009	25.08.2009	24.08.2016
2009-2010	09.08.2010	08.08.2017

- 8. The Provisions of section 109A and 109B of the Companies Act, 1956 have extended the nomination and transmission facility to the shareholders of a company. The shareholders can avail the above facility by furnishing to the Company, the particulars of their nominee(s). Every person who becomes the nominee, by virtue of Section 109A, may upon the production of such evidence, as may be required by the Board, elect either to get himself registered as the holder of the securities or to make such transfers as the case may be as the deceased holder could have made.
- 9. The shares of the Company are under the compulsory demat list, so trading in the equity shares can only be made in dematerialized form. In case you have not dematerialized your shares, you may do so by opening an account with a depository participant.
- 10. Information under clause 49 of the Listing Agreement with the Stock Exchange, Mumbai in respect of Directors seeking appointment/re-appointment at the Annual General Meeting is given hereunder:
 - (a) Shri S.K. Anand retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
 - Shri S.K. Anand is B.E. (Elec.) qualified and presently working as the Managing Director of M/s. Nimbua Greenfield (Punjab) Ltd. He has headed many leading organizations successfully controlling/leading their vital managerial/administrative/operational functions. He has worked as Executive Director and Managing Director of M/s. North Eastern Supply Co. of Orissa. He has served Punjab State Electricity Board as Chief Engineer for 4 years and thereafter Member (Distribution) of the Board for quite sometime. He has a rich managerial, administrative and commercial experience to his credit. He holds 1002 shares of our company.
 - (b) Shri V.P. Kapahi retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.
 - Shri V.P. Kapahi is B.A., C.A.I.I.B. qualified and a retired Senior Executive of a Public Section Bank having long experience in industrial financial besides a strong commercial & managerial capability to his credit. He does not hold any other directorship and holds 1000 shares of our company.
 - Both the directors have long commercial, administrative and managerial experience to their credit. They are associated with the company as the independent directors since 2006 and have contributed significantly to the overall growth of the Company.

The Board, therefore, recommends their re-appointment. Each of the two Directors and may be deemed to be interested in the resolution relating to their re-appointment.



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

ITEM NO. 6

Shri Bhavdeep Sardana was appointed as Vice President (Operations) of Nizamabad Unit of the Company with effect from 1/1/2005 at a salary of Rs. 30,000/- p.m. with usual perks, applicable to other senior Executives as per rules of the company. His appointment was duly approved by the Share-holders in the Annual General Meeting as per provisions of section 314 of The Companies Act, 1956.

Shri Bhavdeep Sardana is qualified Engineer from a leading University of U.K. He has made substantial contribution in improving the operations of Nizamabad Unit while working as Vice President (Operations) of that Unit and thereafter in commissioning and successful running of Gurplah Unit of the Company, where productivity and efficiency has considerably improved with substantial increase in the profitability. His salary was revised in the financial year 2007-2008 to Rs. 90,000/- p.m. with usual perks as applicable to other senior executives of the company after obtaining consent of the shareholders in their Annual General Meeting dated 12/09/2007 and thereafter necessary approval of the Central Government vide their office letter dated 12/12/2007, in pursuance to the provisions of section 314(1B) of the Companies Act, 1956. His present salary does not commensurate with the responsibilities shouldered by him and not comparable with the remuneration being paid to other senior executives of his level of the company. His salary can only be increased with the approval of shareholders, as required under the provisions of section 314 of the Companies Act 1956 read with the Directors Relatives (Office or Place of Profit) Rules, 2003. The Board, therefore, in the overall interest and future growth of the Company, recommend increase/revision in his salary in the pay scale of Rs. 1,00,000/- to Rs. 2,50,000/- (with annual increment as the management may deem fit as per the rules of the Company) with usual perks as applicable to other Senior Executives of his level i.e.

- He will be entitled to free accommodation with reasonable furnishing as per rules of the Company.
- 2. He will be eligible to the benefits of, provident fund, superannuation fund and group gratuity scheme as per rules of the company as applicable to the executives of this level from time to time.
- 3. Facilities of medical re-imbursement, leave travel assistance and company's car, telephone subject to a condition that cost of personal journey and personal telephone calls will be recoverable from him on an actual basis. Any change in the terms may be made as agreed to by the Board of Directors and Shri Bhavdeep Sardana.
- 4. Personal accident insurance and mediclaim insurance policies as per Rules of the Company.

None of the Directors except Shri K.K. Sardana, being father of Shri Bhavdeep Sardana, is concerned or interested in the resolution.

ITEM NO. 7

Shri Dhiraj Sardana was appointed as Vice President (Operations) of Malda Unit of the Company with effect from 1/4/2005 at a salary of Rs. 30,000/- p.m. with usual perks, applicable to other senior Executives as per rules of the company. His appointment was duly approved by the Share-holders in the Annual General Meeting as per provisions of section 314 of The Companies Act, 1956.

Shri Dhiraj Sardana is B.B.A. in Business & Finance from a leading University of U.K. and has strongly improved and strengthened the Management functions of Malda Unit raising its productivity, efficiency and profitability considerably. He has played a key role in developing export market for the company and actively involved in the ongoing substantial expansion of Malda unit of the company. His salary was revised in the financial year 2007-2008 to Rs. 90,000/- p.m. with usual perks as applicable to other senior executives of the company after obtaining consent of the shareholders in their Annual General Meeting dated 12/09/2007 and thereafter necessary approval of the Central Government vide their office letter dated 12/12/2007, in pursuance to the provisions of section 314(1B) of the Companies Act, 1956. His present salary does not commensurate with his qualification and experience and not comparable with the remuneration being paid to other senior executives of his level of the company. His salary can only be increased with the approval of shareholders, as per the provisions of section 314 of the Companies Act, 1956 read with the Directors Relatives (Office or Place of Profit) Rules, 2003. The Board, therefore, in the overall interest of the unit and the Company, recommend increase/revision in his salary in the pay scale of Rs. 1,00,000/- to Rs. 2,50,000/- (with annual increment as the management may deem fit as per the rules of the Company) with usual perks as applicable to other Senior Executives of his level i.e.

- He will be entitled to free accommodation with reasonable furnishing as per rules of the Company.
- 2. He will be eligible to the benefits of, provident fund, superannuation fund and group gratuity scheme as per rules of the company as applicable to the executives of this level from time to time.
- Facilities of medical re-imbursement, leave travel assistance and company's car, telephone subject to a condition that cost of personal journey and personal telephone calls will be recoverable from him on an actual basis. Any change in the terms may be made as agreed to by the Board of Directors and Shri Dhiraj Sardana.
- 4. Personal accident insurance and mediclaim insurance policies as per Rules of the Company.

None of the Directors except Shri J.K. Sardana, being father of Shri Dhiraj Sardana, is concerned or interested in the resolution.



DIRECTORS' REPORT

Dear Share Holders:

1.

Your Directors' are pleased to present before you the 67th Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2011:-

FINANCIAL RESULTS	2010-11	2009-10
	(Rs. in Crores)	(Rs. in Crores)
Sales & Other income	354.46	266.28
Profit before tax & depreciation	56.0 9	24.85
Profit before tax but after depreciation	49.45	18.91
Provision for taxes	(10.65)	(4.47)
Profit After Tax	38.80	14.44
Taxes relating to previous years	0.02	(0.23)
Surplus brought forward from previous year	5.00	4.49
Surplus available for appropriation	43.78	19.17
Proposed dividend (including Corporate Tax)	6.87	5.16
Transfer to General Reserve	30.00	9.00
Surplus carried forward	6.91	5.00

2. PERFORMANCE

The gross sales and other income of the Company have increased from Rs.266.28 Crores to Rs. 354.46 Crores registering an excellent growth of 33%. Operating Profits of the Company have shown manifold growth to Rs. 56.09 Crores against Rs. 24.85 Crores previous year. Profit after providing Rs. 6.64 Crores (Rs. 5.94 Crores) for depreciation and Rs. 10.65 Crores (Rs. 4.47 Crores) for taxation, leave a net profit of Rs. 38.80 Crores (Rs. 14.44 Crores). A sum of Rs. 30.00 Crores has been proposed to be transferred to general reserves against Rs. 9.00 Crores last year.

The increase in sales has been achieved by high capacity utilizing of Nizamabad unit and optimization of capacities at other units of the Company. The company has been able to procure its basis raw material in time and at a right price during the main maize procurement season, leading to lower material cost and higher profitability during the year.

3. FUTURE PROSPECTUS

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

The expansion of Malda Unit is expected to be commissioned by the end of this year and it is expected that the higher capacity utilization by other units of the company will enable an overall increase of over 15% in its operations during the current year.

4. CORPORATE GOVERNANCE

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

5. DIVIDEND

The Directors are pleased to recommend a final dividend of 40% taking total dividend to 80% during the financial year ended 31st March, 2011 against 60% last year. The dividend has been recommended with a view to conserve resources for the ongoing expansion at Malda unit and balancing of operations at Gurplah unit of the company.

Jacob & Chemicals camind Phagward



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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, 2011, 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, 2011 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 31/03/2011.

8. SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

- (a) The Vijoy Steel & General Mills Company Ltd., Phagwara : The company has incurred losses due to higher input cost. However, it is expected to perform reasonably well during the current year.
- (b) Sukhjit Finance Ltd., Phagwara: The operations of the company have been shut down to ward off unnecessary losses.
- (c) Scott Industries Ltd., Phagwara : The company has not been able to perform well due to lower sales and overall poor performance of the textile sector in the Country.

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

As required under the Listing Agreement with the Bombay Stock Exchange, a Consolidated Financial Statement of the Company and its subsidiaries is attached, which has 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, 2011 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 adjusted as expense in the accounts include Rs. 17.24 crores (Rs. 15.93 Crores prev. year) on account of Central Excise Duty. The major item, consists of Rs. 17.06 crores (Rs. 15.90 crores Prev. Year) excluding penalty and interest on account of demands raised by Central Excise Department since 01.04.1997 alleging sale of Maize Starch as that of Modified Starch. The demand is totally baseless/frivolous since the chemical examiner of **CENTRAL REVENUE LABORATORY** has clearly held the product to be Maize Starch. Moreover, the product being manufactured by the company for the last over six decades has been sold as Maize Starch, accepted by the market as Maize Starch and classified as Maize Starch by the Department, itself, from time to time. Hon'ble High Court has since stayed the demand and the matter is subjudice.

10. UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT

The company has opened the "unclaimed shares demat suspense account" with M/s India Infoline Ltd. (DP Id. : IN 302269), as required under the SEBI Circular No. CIR/CFD/DIL/10/2010 dated 16th December, 2010 to transfer and maintain the unclaimed shares in the said account.