

14th

**ANNUAL REPORT
2003-2004**

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HARYANA SURAJ MALTINGS LIMITED

HARYANA SURAJ MALTINGS LIMITED

BOARD OF DIRECTORS

Mukesh Agarwal
Ashwani K. Sharma
Ajay Inder Singh
V. Adhi Kesavan
Subha Aggarwal

Managing Director
Nominee HSIDC

BANKERS

State Bank of Patiala

AUDITORS

M/s. O. P. Bagla & Co.,
Chartered Accountants,
8/12, Kalkaji Extension,
New Delhi-110019.

REGISTRAR AND SHARE TRANSFER AGENTS

M/s. Beetal Financial and Computer Services Private Limited,
321-S, Chirag Delhi, New Delhi-110017.

REGISTERED OFFICE & WORKS

96th Km. Stone, Delhi-Jaipur Road,
Bawal, Distt. Rewari, Haryana.

HARYANA SURAJ MALTINGS LIMITED

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the members of Haryana Suraj Maltings Limited will be held on Thursday, the 30th day of September, 2004 at 10:00 A.M. at the Registered Office of the Company at 96th Km. Stone, Delhi-Jaipur Road, Bawal, Distt. Rewari, Haryana to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2004 and Profit and Loss Account for the year ended on that date and the report of the Directors and Auditors thereon.
2. To consider the re-appointment of Shri Ajay Inder Singh who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company and to fix their remuneration.

NOTES:

1. A member entitled to attend and vote is also entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. The proxy representation must be received at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Book of the Company will remain closed from 27th September, 2004 to 30th September, 2004 (both days inclusive).
3. The members are requested to bring the copy of the Annual Report and Attendance slip with them to the Annual General Meeting.
4. Members attending the Annual General Meeting are requested to bring with them the following:-
 - a) Members holding share in dematerialized form are requested to bring with them their DP & Client ID Numbers.
 - b) Members holding shares in physical form are requested to bring with them their folio numbers.
5. Members holding shares in the same name or same order of names under different ledger folios are requested to apply for consolidation of such folios, to the company's registrars and transfer agents.
6. Nomination facility for shares is now available for members. The prescribed format in this regard can be obtained from the company's registrars and transfer agents.
7. Members holding shares in the dematerialised form are requested to notify all changes with respect to their address, bank details to their depository participant.

For and on behalf of the Board of Directors

Place : Bawal, Distt. Rewari
Dated : 31.07.04

Mukesh Agarwal
Managing Director

HARYANA SURAJ MALTINGS LIMITED

DIRECTORS' REPORT

To
The Members of
Haryana Suraj Maltings Limited

The Directors have pleasure in presenting the 14th Annual Report together with the audited accounts for the financial year ended 31st March, 2004.

FINANCIAL RESULTS :

	31.03.2004 (Rs. in Lacs)	31.03.2003 (Rs. in Lacs)
Sales	442.13	332.77
Operating Profits	17.35	14.89
Financial Charges	8.03	13.04
Depreciation	22.90	22.45
Net Loss	13.58	20.60
Deficit carried to Balance Sheet	257.00	243.42

OPERATIONAL REVIEW :

During the year under review, the Company had earned operating profit of Rs. 17.35 Lakhs against Rs. 14.89 Lakhs in the previous year. The turnover of the Company has increased to Rs. 442.13 Lakhs.

The working of the Company has been adversely affected due to severe competition in the market. However, the efforts are being made to achieve good results, in the coming years.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of sub-section 2AA of Sec. 217 of the Companies Act, 1956, the Board of Directors hereby states that:

1. In the preparation of the Annual Accounts, the applicable accounting standards had been followed and there is no material departure;
2. The Directors had 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 that period;
3. The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. The directors had prepared the annual accounts on a going concern basis.

DIRECTORS

Shri Ajay Inder Singh, Director of the Company retires by rotation and is eligible for re-appointment.

AUDITORS

M/s. O. P. Bagla & Co., Chartered Accountants, New Delhi, Auditors of the Company will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a certificate from them, to the effect that their appointment, if made would be within the prescribed limits under Sec. 224(1-B) of the Companies Act, 1956. The Board recommends their re-appointment.

HARYANA SURAJ MALTINGS LIMITED

AUDITORS' REPORT

As regards the Auditors' Report the respective notes to the accounts are self explanatory and therefore, do not call for any comments.

FIXED DEPOSITS

Your Company has not accepted any deposits from the public.

LISTING

The equity shares of the Company are listed on the Stock Exchanges of Delhi & Bombay. Besides the delisting proceedings are in advanced stages in respect of Stock Exchanges of Ahmedabad, Bangalore and Calcutta.

AGREEMENT WITH DEPOSITORIES

Your company has already entered into agreement with National Securities Depository Limited and Central Depository Services India Limited during the financial year 2001-2002. The benefits of Dematerialised mode of holding equity shares and trading in them are available to the investors.

PARTICULARS OF EMPLOYEES

Particulars as required under Sec. 217(2A) of the Companies Act-1956, read with the Companies (Particulars of Employees) Rules, 1975 are Nil.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars as required under Sec. 217(1)(e) of the Companies Act-1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in the Annexure to this Report.

CORPORATE GOVERNANCE

A separate statement on Corporate Governance along with the Auditors' Certificate is given as a part of the Annual Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to the employees at all levels for their commitment and dedicated efforts. The Directors are also thankful to the Shareholders, Banks, Financial Institutions and Customers for their continued support to the Company.

For and on behalf of the Board of Directors

Place : Bawal, Distt. Rewari
Dated : 31.07.04

V. Adhi Kesavan
Director

Mukesh Agarwal
Managing Director

HARYANA SURAJ MALTINGS LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Information as per Section 217(1)(e) read with Company's (Disclosure of Particulars in the report of Directors) rules 1988 and forming part of the Directors Report for the year ended 31st March, 2004.

I. CONSERVATION OF ENERGY

The management has analysed energy consumption during the year and necessary suggestions made have been implemented.

The company has installed one F.O. burner during the year and company plans to install more such burners in the future. Besides the company is using F.O. in spite of L.D.O. for energy conservation.

The cost of production is expected to be optimized as a result of measures taken or to be taken by the company.

II. TECHNOLOGY ABSORPTION

The Company continues its endeavourer to adopt latest technology & state of art equipment in the Plant.

The Company has not imported any technology during the last 5 year.

III. FOREIGN EXCHANGE EARNING AND OUTGO

There are no foreign exchange earnings and out go during the year under review.

For and on behalf of the Board of Directors

Place : Bawal, Distt. Rewari
Dated : 31.07.04

V. Adhi Kesavan
Director

Mukesh Agarwal
Managing Director

HARYANA SURAJ MALTINGS LIMITED**CORPORATE GOVERNANCE REPORT****PHILOSOPHY STATEMENT ON GOVERNANCE CODE**

At Haryana Suraj Maltings Limited, Corporate Governance is an integral part of the Company's values, ethics, business practices and norms. Towards this, the Company consistently evaluates and defines its management practices aimed at enhancing its commitment and delivery of the basic tenets of the Corporate Governance.

BOARD OF DIRECTORS

Composition of Board of Directors and other details are furnished below :

Name of Member Director	Executive/Independent Attended	No. of Meetings at AGM held on 30.09.2003	Attendance
Mr. Mukesh Agarwal	Executive	6	Present
Mr. Ashwani K. Sharma	Nominee	1	Not Present
Mr. V. Adhi Kesavan	Non-Executive	6	Present
Mr. Ajay Inder Singh	Non-Executive	5	Not Present
Mrs. Subha Agarwal	Executive	3	Present

During the financial year under review six Board Meetings were held on 22nd April, 2003, 28th June, 2003, 24th July, 2003, 29th October, 2003, 30th January, 2004 and 28th March, 2004.

AUDIT COMMITTEE

The Company has an Audit Committee in place since 31.01.2001 comprising 3 members, being all Independent Directors. The Chairman of the Committee is Mr. Ajayinder Singh with Mr. Ashwini Kumar Sharma and Mr. V. Adhi Kesavan as members of the Committee.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges including their role, powers and duties, quorum of meeting and frequency of meetings. The committee is responsible for effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and ensuring compliance with established policies and procedures. Audit committee also determines adequacy of internal control and ensures its effectiveness. It identifies, defines, categorises all the risks that the Company faces. The internal control system is comprehensively reviewed, evaluated and updated on regular basis. Four meetings of audit committee were held during the year.

Director	No. of meetings attended
Mr. Ajayinder Singh	4
Mr. Ashwini Kumar Sharma	-
Mr. V. Adhi Kesavan	4

SHAREHOLDERS/INVESTORS GRIEVANCE HANDLING COMMITTEE

The company has constituted a shareholders/investors grievance handling committee on 18th June, 2002 and it comprises of 3 members, Mr. Mukesh Agarwal, Managing Director, Mr. Ajayinder Singh, Director and Mr. V. Adhi Kesavan, Director.

BRIEF DESCRIPTION OF THE TERMS OF REFERENCE

The functioning and terms of reference of

There is no shareholder complaint pending as on the date of this report.

HARYANA SURAJ MALTINGS LIMITED

REMUNERATION COMMITTEE

At present, the Company is paying remuneration to Mr. Mukesh Agarwal, Managing Director of the Company and Mrs. Subha Aggarwal, Director of the company from the date of their appointment in the previous years. The Company is not paying any sitting fee to the Directors for attending the Board Meetings.

As such Remuneration Committee will be constituted whenever need for the same arises.

PREVIOUS THREE ANNUAL GENERAL BODY MEETINGS

Date & Time	Location	Special resolution
29th September, 2001 at 11.00 a.m.	96 Km Stone, Delhi Jaipur Road, Bawal.	1. Amendment in Articles of Association for including clauses related to demat- erialisation of shares. 2. Issue of new shares on preferential basis.
31st August, 2002 at 10:00 A.M.	--- do ---	NIL
30th September, 2003 at 10.00 A.M.	----do----	1. Appointment of Director Mr. V. Adhi Kesavan 2. Appointment of Director Mrs. Subha Aggarwal on whole time basis and approving her remuneration

* No postal ballot resolution(s) were passed.

DISCLOSURES

There were no transactions of material nature with its promoters, the directors or the management, their subsidiaries or relatives, etc during the year under review.

There are no non compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years except default due to non payment of listing fee to stock exchanges.

MEANS OF COMMUNICATION

The Company is publishing its quarterly results in English and Hindi newspapers of wide circulation and the copies of results are also sent to the stock exchanges.

GENERAL SHAREHOLDER INFORMATION

- a. AGM date, time and venue : 30th September, 2004, at 10:00 A.M. at 96th
Km. Stone, Delhi Jaipur Road, Bawal-123501
- b. Book closure date : 27th September, 2004 to 30th September,
2004 (both days inclusive).
- c. Listing on stock exchanges :
The Delhi Stock Exchange Association Ltd., DSE Building, Asaf Ali Road, New Delhi-110002.
The Stock Exchange-Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.

HARYANA SURAJ MALTINGS LIMITED

The Company has complied with most of the legal formalities for delisting of shares from the following stock exchanges:

The Calcutta Stock Exch. Association Ltd.

The Stock Exchange- Ahmedabad

The Bangalore Stock Exchange.

- d. Stock Code : 519395 on BSE
- e. ISIN No. : INE154E01019
- f. Market price data & stock : The equity shares of the company are infrequently traded on the Stock Exchanges. As such no data is available.
- g. Dematerialisation of shares : As on 30.06.03 15,67,869 shares representing 30.19% of the total subscribed and paid up capital were held in electronic form.
- h. Plant Location : 96th Km. Stone, Delhi Jaipur Road, Bawal 123501.
- i. Address for correspondence : Shareholders correspondence should be addressee to the company's registrar and transfer agents:
M/s. Beetal Financial and Computer Services Private Limited,
321-S, Chirag Delhi, New Delhi-110017.
- j. Distribution of shareholding :

As on 31.03.2004

Share holding of nominal value of Rs. 10/-	Number of shareholders	No. of Shares	Percentage to total
Up to 5000	5,022	13,64,000	26.2631
5001 to 10000	789	6,66,950	12.8418
10001 to 20000	308	4,96,300	9.5560
20001 to 30000	49	1,25,000	2.4068
30001 to 40000	27	97,800	1.8831
40001 to 50000	37	1,81,400	3.4928
50001 to 100000	19	1,51,600	2.9190
100001 and above	40	21,10,550	40.6374
Total	6,291	51,93,600	100

As on 31.03.2004

Head	No. of shares	%age
Promoters	1794750	34.56
Mutual Funds and UTI	47500	0.91
Private Corporate Bodies	186500	3.59
Indian Public	3164650	60.93
NRI/OCBs	200	0.01