

# SURAJ INDUSTRIES LIMITED

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5TH  
ANNUAL REPORT  
1996-97



## **SURAJ INDUSTRIES LIMITED**

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### **BOARD OF DIRECTORS**

<b>Chairman</b>	Shri Inder Lal Jain
<b>Managing Director</b>	Shri Suraj Gupta
<b>Whole Time Director</b>	Shri Gurcharan Arora
<b>Directors</b>	Shri J.K. Jain Shri M.L. Kampani Shri Virender Nath Koura Shri Deepak Jain Shri Atul Jain Shri Parmod Arora
<b>Nominee Director (HPSIDC)</b>	Shri T.G. Negi
<b>Company Secretary</b>	Mrs. Bhanumati Ramachandran
<b>Bankers</b>	State Bank of Patiala State Bank of Hyderabad
<b>Auditors</b>	M/s Tas Associates Chartered Accountants
<b>Registrar &amp; Share Transfer Agents</b>	M/s Beetal Financial & Computer Services Pvt.Ltd 321-S, Chirag Delhi, New Delhi-110017
<b>Registered Office</b>	Sansarpur Terrace, Distt Kangra Himachal Pradesh
<b>Corporate Office</b>	1501, Ambadeep Building 14,K.G.Marg, New Delhi-110001



## SURAJ INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the members of Suraj Industries Limited will be held on Friday, the 26th day of September, 1997 at 10.00 A.M. at the Registered Office of the company at Sansarpur Terrace, Distt. Kangra, Himachal Pradesh to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1997 and the Profit and Loss Account for the year ended on that date and report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri V.N. Koura, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.K. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS :

5. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** Shri Deepak Jain who was appointed as an Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 to hold such office until this Annual General Meeting be and is hereby appointed as Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** Shri Atul Jain who was appointed as an Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 to hold such office until this Annual General Meeting be and is hereby appointed as Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :

**"RESOLVED THAT** Shri Parmod Arora who was appointed as an Additional Director of the company pursuant to Section 260 of the Companies Act, 1956 to hold such office until this Annual General Meeting be and is hereby appointed as Director of the company whose period of office shall be liable to determination by retirement of Directors by rotation."

8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Special Resolution :

**"RESOLVED THAT** pursuant to section 198, 269, 309 & 310 read with schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the consent and approval of the company be and is hereby accorded to the re-appointment of Shri Gurcharan Arora as Whole Time Director of the company in accordance, with schedule XIII of the Companies Act, 1956 to hold office from the conclusion of this Annual General Meeting till the conclusion of Ninth Annual General Meeting on Terms and Conditions including remuneration as are set out in the agreement to be entered into between the company and Shri Gurcharan Arora, a draft whereof is placed before this meeting and is hereby specifically sanctioned with Liberty to the Board of Directors to alter and vary the terms and conditions of the said agreement and/or agreement so as not to exceed the limits specified therein or in any amendments and/or modification that may hereafter be made in Schedule XIII and other applicable provisions by Central Government or as may be agreed to between the Board of Directors and Shri Gurcharan Arora.

**SURAJ INDUSTRIES LIMITED**

Resolved further that the Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution".

9. To consider, and if thought fit, to pass with or without modifications, the following resolution as an Special Resolution :

**"RESOLVED THAT** pursuant to section 198, 269, 309 & 310 read with schedule XIII and other applicable provisions if any, of the Companies Act, 1956, the consent and approval of the company be and is hereby accorded to the re-appointment of Shri Suraj Gupta Managing Director of Suraj Vanaspati Ltd as Managing Director of the company for a period of 5 (five) years with effect from 14th December, 1997 on Terms and Conditions including remuneration as are set out in the agreement to be entered into between the company and Shri Suraj Gupta, a draft whereof is placed before this meeting and is hereby specifically sanctioned with Liberty to the Board of Directors to alter and vary the terms and conditons of the said appointment and/or agreement so as not to exceed the limits specified therein or in any amendments and/or modifications that may hereafter be made in schedule XIII and other applicable provisions by Central Government or as may be agreed to between the Board of Directors and Shri Suraj Gupta.

Resolved further that Board of Directors be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

By Order of the Board

For Suraj Industries Limited

Sd/-

**BHANUMATI RAMACHANDARAN**  
COMPANY SECRETARY

Place : New Delhi  
Dated : 16th August, 1997

**NOTES :**

- The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 to 9 set out above is annexed hereto.
- A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. Proxy in order to be effective, must reach the Registered Office of the Company duly stamped, not less than 48 hours before the time fixed for the meeting. Proxy form is enclosed.
- Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 19th September, 1997 till Friday the 26th September, 1997 (Both days inclusive).
- Members are requested to notify immediately any change in their address, quoting folio numbers to the Registrar and Share Transfer Agents of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**ITEM NO. 5 :**

The Board of Directors appointed Shri Deepak Jain as Additional Director of the company. In accordance with Article 80 of the Articles of Association of the company and section 260 of the Companies Act 1956. Shri Deepak Jain is to hold office upto the date of ensuing Annual General Meeting. The company has received notice from the member of the company under section 257 of the Companies Act alongwith Rs.500/- proposing his candidature for the office of Director.



## SURAJ INDUSTRIES LIMITED

Your Directors, therefore recommend the resolution set out at Item No.5 for your approval.

Shri I.L. Jain and Shri Deepak Jain, Directors of the company are interested in the resolution.

### ITEM NO. 6 :

The Board of Directors appointed Shri Atul Jain as Additional Director of the company. In accordance with Article 80 of the Articles of Association of the company and section 260 of the Companies Act 1956. Shri Atul Jain is to hold office upto the date of ensuing Annual General Meeting. The company has received notice from the member of the company under section 257 of the Companies Act alongwith Rs.500/- proposing his candidature for the office of Director.

Your Directors, therefore recommend the resolution set out at Item No.6 for your approval.

Shri J.K. Jain and Shri Atul Jain, Directors of the company are interested in the resolution.

### ITEM NO. 7 :

The Board of Directors appointed Shri Parmod Arora, as an Additional Director of the company. In accordance with Article 80 of the Articles of Association of the company and section 260 of the Companies Act 1956. Shri Parmod Arora is to hold office upto the date of ensuing Annual General Meeting. The company has received notice from the member of the company under section 257 of the Companies Act alongwith Rs.500/- proposing his candidature for the office of Director.

Your Directors, therefore recommend the resolution set out at Item No. 7 for your approval.

Shri Gurcharan Arora, Whole Time Director and Shri Parmod Arora, Director of the company are interested in the resolution.

### ITEM NO. 8

Shri Gurcharan Arora was appointed as Whole Time Director of the company in the last Annual General Meeting and is to hold office till the conclusion of this Annual General Meeting. The Directors have considered his re-appointment as Whole Time Director of the company for a further period of 4 (four) years from the conclusion of this Annual General Meeting till the conclusion of Ninth Annual General Meeting subject to your approval to his appointment as Whole Time Director of the company on a total monthly remuneration of Rs. 15,000/- inclusive of all benefits & perquisite as per details given below.

1. Salary - Rs. 8000/- per month.
2. Perquisite may be paid per month as mentioned below.
  - a) House Rent Allowance may be paid subject to the Rule of the company not exceeding 25% of the Basic Salary i.e. Rs. 2000/- P.M.
  - b) Conveyance Reimbursement may be paid subject to Rule of the Company not exceeding Rs. 3666/- per month.
  - c) Medical Reimbursement for self and family :  
Reimbursement of expense actually incurred, the total cost of which to the company shall not exceed one month Basic Salary in a year.
  - d) Leave Travel Allowances : Actual Expenditure for proceeding on leave to any destination in India subject to maximum of one month basic salary in a year.

**SURAJ INDUSTRIES LIMITED**

A copy of draft agreement is available for inspection at the registered office of the company between 11:00 A.M. to 1:00 P.M. on all working days except Saturday & Holidays.

Your Directors recommend the resolution set out at Item No.8 of the Notice for approval of the Shareholders.

None of the Directors except Shri Gurcharan Arora & Shri Parmod Arora may be deemed to be interested or concerned in the resolution.

**ITEM NO 9**

Shri Suraj Gupta Managing Director of Suraj Vanaspati Ltd was appointed as Managing Director of the Company for a period of five years on 14th December 1992 on a total monthly remuneration of Rs 5000/- p.m. plus one percent commission on the net profits of the company computed in the manner laid down under section 309 of the Act subject to ceiling of 50 % of the annual salary or Rs 90000/- per annum whichever is less . Your Directors recommend his re-appointment as Managing Director of the company for a further period of five years with effect from 14th Dec., 1997 on a total monthly remuneration of Rs. 10,000/- ( inclusive of all perks and allowances). In terms of schedule XIII of the Companies Act 1956. Shri Suraj Gupta is being eligible for appointment as Managing Director.

A copy of draft agreement is available for inspection at the registered office of the company between 11:00 A.M. to 1:00 P.M. on all working days except Saturday & Holidays.

Yours Directors recommended the resolution setout at Item No.9 of the Notice for approval of the shareholders.

None of the Directors except Shri Suraj Gupta, may be deemed to be interested in the said resolution.

By Order of the Board

For Suraj Industries Limited

Sd/-

**BHANUMATI RAMACHANDARAN**  
COMPANY SECRETARY

Place : New Delhi

Dated : 16th August, 1997

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## SURAJ INDUSTRIES LIMITED

### DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting their Fifth Annual Report alongwith the Audited Statements of the Account for the year ended 31st March, 1997.

### FINANCIAL RESULTS :

The company during the year under review has achieved a production of 12489.475 M.T. The Cash profit of the company is Rs.129.92 lacs. The net profit for the year under review amounts to Rs. 62.69 lacs.

Financial Results for the years' operations and the comparative figures of the previous year are summarised below:

	( Rs. in lacs )	
	1996-97	1995-96
Sales	4408.60	3414.97
Cash Profit/(Loss)	129.92	86.64
Depreciation	53.91	53.29
Misc.Exp.Written off	13.32	13.32
Net Profit/(Loss) for the year.	62.69	20.03
Profit/(Loss) Brought Forward	(16.25)	(36.28)
Profit available for Appropriation	46.44	—

### APPROPRIATIONS

Dividend	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	46.44	—

### DIVIDEND

With a View to Conserve the resources of the Company, Your directors, therefore have decided not to recommend any dividend for the year under review.

### Financial Position

The total internal cash generation since inception of the company amounts to Rs. 284.65 lacs as on 31.03.97. The Net Worth of the company is Rs.758.99 lacs as on 31.03.97.

During the year under review, the company has fulfilled all its financial commitments on time.

The total capital employed by the company as on 31.03.97 stood at Rs. 1536.37 lacs.

The company has not accepted any Fixed Deposits from the Public under section 58A during the year under report.

### OPERATIONS

The Company is selling its products viz Vanaspati and Refined oil under the brand name "Angan". The product has received a good response and has captured a major share of Vanaspati market of Himachal Pradesh.

Your company had entered into an agreement with M/s Hindustan Lever Ltd for supply of vanaspati in their brand name and to supply other related products like Refined groundnut and mustard oil.

**SURAJ INDUSTRIES LIMITED**

The company has also started the sale of its products outside Himachal Pradesh and hopes to achieve good turnover in the current year.

**PROJECTION V/S PERFORMANCE :**

As per clause 43 of the listing agreement the performance of the company vis-a-vis the projections for the year ended 31.03.97 made in letter of offer dt. 09.07.93 are as under :

	(Rs. in lacs)	
	Projected	Actuals
Sales	10011.00	4408.60
PAT	334.00	62.69

The company operated on low capacity due to market restraints.

**DIRECTORS :**

Shri V.N. Koura and Shri J.K. Jain, Directors retire by rotation and being eligible, offer themselves for re-appointment.

Shri Deepak Jain, Shri Atul Jain and Shri Parmod Arora were co-opted to the Board as Additional Directors and to hold office till the ensuing Annual General Meeting. The company has received "Notices" under Section 257 of the Companies Act, 1956 from members of the company for the appointment of Shri Deepak Jain, Shri Atul Jain and Shri Parmod Arora as regular Directors.

**AUDITORS :**

M/s. Tas Associates, Chartered Accountants, Auditors of the company hold office until the conclusion of ensuing Annual General Meeting and your Directors recommended their re-appointment. The company has received the requisite certificate from M/s. Tas Associates, Chartered Accountants to the effect that their re-appointment, if effected, would be within the limits prescribed under section 224 (1-B) of the Companies Act, 1956.

**AUDIT REPORT :**

The observations of the Auditors in the audit report have been explained in the Notes to the Accounts, which are self explanatory. The Company is making its sincere efforts to recover the amounts relating to allotment of shares against unrealised stock invests.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :**

The information as regards conservation of energy, technology absorption and outgo required under section 217(1), (2) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto as per annexure and forms an integral part of the report.

**PARTICULARS OF EMPLOYEES :**

A statement showing particulars of employees required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed hereto as per Annexure and forms an integral part of the Report.

**INSURANCE :**

All the insurable interest of the Company including inventories, buildings and plant & machinery under legislative enactments are adequately insured.



**SURAJ INDUSTRIES LIMITED**

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**INDUSTRIAL RELATIONS :**

The Industrial Relations have continued to be stable and harmonious during the course of the year. Your company has made sustained efforts to improve manpower productivity and employer-employee relations.

**ACKNOWLEDGEMENTS :**

We wish to place on record our sincere appreciation of the continued valuable assistance, co-operation, guidance and support provided to the company by all the financial institutions viz., ICICI, IIBI and SCICI, its bankers State Bank of Patiala, State Bank of Hyderabad, Directorate of Vanaspati, Bureau of Indian Standards, Government of Himachal Pradesh and the local authorities. The Directors also express their thanks to the large number of customers and associates for their patronage.

In the end, your Directors wish to place on record their deep appreciation of the enthusiasm, initiative and hard work put in by the staff and workers of the company at all levels which enabled your company to make progress and complete a successful year.

For and on behalf of the Board

For Suraj Industries Limited

Sd/-

(INDER LAL JAIN)  
CHAIRMAN

Place : New Delhi

Dated : 16th August, 1997

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