

# SURAJ INDUSTRIES LIMITED

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		DIV	NA
TRA	✓		AC	✓
AGM	✓	✓	SEI	✓
YE	✓	✓		✓

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6TH  
ANNUAL REPORT  
1997-98

CONFIDENTIAL INFORMATION



110  
100-851,140,141,142,143  
12-1001

**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 V.N. Koura Shri Deepak Jain Shri Atul Jain Shri Vinod Arora Shri P. Mitra
<b>Nominee Director (HPSIDC)</b>	
<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 Agent</b>	M/s. Beetal Financial & Computer Services (P) Ltd. 321-S, Chirag Delhi, New Delhi - 110 017.
<b>Registered Office</b>	Sansarpur Terrace, Distt. Kangra Himachal Pradesh.
<b>Corporate Office</b>	1501, Ambadeep Building, 14 K.G. Marg, New Delhi - 110 001.

**SURAJ INDUSTRIES LIMITED****NOTICE**

Notice is hereby given that the Sixth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Wednesday, the 30th day of September, 1998 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, 1998 and the Profit & 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 I.L. Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Atul 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 P. Mitra, M.D. HPSIDC 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 Vinod 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."

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

**"RESOLVED THAT** in supersession of earlier resolution passed in First Annual General Meeting held on 6th October, 1993, the consent of the company be and is hereby accorded in terms of section 293(1)(a) and other applicable provisions, if any, of the companies Act, 1956, and the company do hereby confirm the mortgaging and/or creating second charge by the Board of Directors, of all immovable and movable assets of the company wheresoever situate, present and future and the whole of the undertaking of the company to or in favour of the Banks as security for the due payment, discharge and redemption by the company together with interest, additional interest, premia on prepayment or on redemption, costs, charges expenses and other monies payable in respect of the working capital facilities granted to be granted to the company to the extent of Rs. 350 lacs fund based and Rs.20 lacs non-fund based.

RESOLVED further that the board of directors of the company be and is hereby authorised to modify and finalise with the aforesaid bank, if deemed necessary, the documents creating the aforesaid mortgage and/or second charge and to do all such acts, things and deeds as may be necessary for giving effect to the above resolution."

By Order of the Board  
For **SURAJ INDUSTRIES LIMITED**

Sd/-  
**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

Place : New Delhi  
Dated : 22nd August, 1998



## SURAJ INDUSTRIES LIMITED

### NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 to 7 set out above is annexed hereto.
- b) 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.
- c) Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- d) The Register of Members and Share Transfer Books of the company will remain closed from Wednesday the 23rd September, 1998 till Wednesday the 30th September, 1998. (Both days inclusive).
- e) 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 P. Mitra, M.D. HPSIDC 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 P. Mitra is to hold office upto the date of ensuing Annual General Meeting. The company has received notice from the member of the company u/s. 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. 5 for your approval.

None of the Directors except Shri P. Mitra Director of the company is interested in the resolution.

#### ITEM NO. 6 :

The Board of Directors appointed Shri Vinod Arora 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 Vinod Arora is to hold office upto the date of ensuing Annual General Meeting. The company has received notice from the member of the company u/s. 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 Gurcharan Arora, and Shri Vinod Arora, Directors of the company are interested in the resolution.

#### ITEM NO. 7 :

The company for its working capital requirements approached the banks for sanction/renewal of its limits. The Company has to create a second charge in favour of the banks for all its immovable and moveable assets, wherever situated, present and future and the whole of the undertaking of the Company. Hence, the resolution under Section 293(1)(a) of the Companies Act, is required to be passed with the approval of the members of the Company.

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

None of the Directors of the company are interested in the resolution.

By Order of the Board  
For **SURAJ INDUSTRIES LIMITED**

Sd/-  
**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

Place : New Delhi  
Dated : 22nd August, 1998



## SURAJ INDUSTRIES LIMITED

### DIRECTOR'S REPORT

To the Members,

Your Directors have pleasure in presenting their Sixth Annual Report alongwith the Audited Statements of the Account for the year ended 31st March, 1998.

### FINANCIAL RESULTS :

The company during the year under review has achieved a production of 13532.15 M.T. The cash profit of the company is Rs. 46.39 lacs. There was operational profit of Rs. 17.34 Lacs However after accounting for the loss of Rs. 40 lacs on Sale of Investment, there is a net loss for the year under review amounting to Rs.22.66 lacs. The operating profit during the year under review was less than last year due to general recession in the Industrial Climate and Edible Oil Industry was no exception to it. However during the current financial year the market conditions have improved, albeit slightly.

Financial Results for the year's operations and the comparative figures of the previous year are summarised below : (Rs. in lacs)

	1997-98	1996-97
Sales	4891.30	4408.60
Profit/(Loss) before Depreciation & Misc. Exp. Written off	86.39	129.92
Depreciation	55.73	53.91
Misc. Exp. Written Off	13.32	13.32
Profit/(Loss) before Extra Ord. Items	17.34	62.69
Loss on the sale of investments	40.00	-
Net Profit (Loss) for the year	(22.66)	62.69
Profit/(Loss) Brought Forward	46.44	(16.25)
Profit available for Appropriation	23.77	46.44
<b>APPROPRIATIONS</b>		
Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	23.77	46.44

### DIVIDEND

In view of Financial Results of the company, Your Directors, are unable to recommend any dividend for the year under review.

### FINANCIAL POSITION

The total internal cash generation since inception of the company amounts to Rs. 331.05 lacs as on 31.03.98. The Net tangible Worth of the company is Rs.749.66 lacs as on 31.03.98.

The total capital employed by the company as on 31.03.98 stood at Rs. 1518.70 lacs.

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

### OPERATIONS

The Company is selling its products viz. Vanaspati & 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.



## **SURAJ INDUSTRIES LIMITED**

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Your Company has an arrangement with M/s. Hindustan Lever Ltd. for supply of Vanaspati and Refined Oil in their brand name. The arrangement is operating satisfactorily.

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

### **DIRECTORS**

Shri I.L.Jain and Shri Atul Jain, Directors retire by rotation and being eligible, offer themselves for re-appointment.

Shri P. Mitra, M.D. HPSIDC & Shri Vinod 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" u/s. 257 of the Companies Act, 1956 from members of the company for the appointment of Shri P. Mitra and Shri Vinod Arora as regular Directors.

Shri T.G. Negi and Shri Parmod Arora were Directors of the company upto 31st July, 1998. Their expertise and valuable guidance had helped the company in forgoing ahead. The Board places on record its deep appreciation for the valuable advice, guidance and services rendered by Shri T.G. Negi and Shri Parmod Arora during their tenure on the Board.

### **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-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 u/s. 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 and outgo required u/s. 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 u/s. 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.

### **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.



## SURAJ INDUSTRIES LIMITED

### 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 customer 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/-

Place : New Delhi  
Dated : 22nd August, 1998

(I.L. JAIN)  
Chairman

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## SURAJ INDUSTRIES LIMITED

### ANNEXURE TO DIRECTOR'S REPORT

#### ANNEXURE - I

INFORMATION AS PER SECTION 217(I)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1998 :

#### I. CONSERVATION OF ENERGY :

- a) Details of total energy consumption and energy consumption per unit of production as per Form 'A' are given hereunder :

	YEAR ENDED 31ST MARCH, 1998	YEAR ENDED 31ST MARCH, 1997
<b>POWER AND FUEL CONSUMPTION :</b>		
1. Electricity		
a) <b>Purchased</b>		
Units (KWH)	5085250	3866500
Total Amount (Rs. lacs)	68.19	49.40
Rate/Unit (Rs.)	1.34	1.27
b) <b>Own Generation</b>	N.A.	N.A.
Through Diesel Generator	N.A.	N.A.
Units N.A.	N.A.	N.A.
Units Per Litre of Diesel Oil	N.A.	N.A.
Cost/Unit	N.A.	N.A.
Through Steam Turbine/ Generator Units	N.A.	N.A.
Units Per Litre of Fuel	N.A.	N.A.
Oil/Gas	N.A.	N.A.
Cost/Unit	N.A.	N.A.
2. Coal (Specify quantity and where used)	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others/Internal Generation		
i) De-oiled Rice Husk (for Boiler)		
Quantity (M.T.)	6396.63	4848.54
Total Cost (Rs. Lacs)	87.23	56.67
Rate/Unit (Rs.)	1363.67	1168.90
ii) Diesel & Other		
Quantity Litres	87000	83410
Total Cost (Rs. Lacs)	7.80	6.44
Average Rate (Rs.)	8.96	7.72