

SURAJ INDUSTRIES LIMITED

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**7TH
ANNUAL REPORT
1998-99**

SURAJ INDUSTRIES LIMITED**BOARD OF DIRECTORS**

Chairman	Shri Inder Lal Jain
Managing Director	Shri Suraj Gupta
Whole Time Director	Shri Gurcharan Arora
Directors	Shri J.K. Jain Shri V.N. Koura Shri Deepak Jain Shri Atul Jain Shri Vinod Arora Shri P. Mitra
Nominee Director (HPSIDC)	
Company Secretary	Mrs Bhanumati Ramachandran
Bankers	State Bank of Patiala State Bank of Hyderabad
Auditors	M/s. Tas Associates Chartered Accountants
Registrar & Share Transfer Agent	M/s. Beetal Financial & Computer Services (P) Ltd. 321-S, Chirag Delhi, New Delhi - 110 017.
Registered Office	Sansarpur Terrace, Distt. Kangra Himachal Pradesh.
Corporate Office	1501, Ambadeep Building, 14 K.G. Marg, New Delhi - 110 001.

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

Notice is hereby given that the Seventh Annual General Meeting of the members of Suraj Industries Ltd. will be held on Thursday, the 30th day of September, 1999 at 10 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, 1999 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 Gurcharan Arora who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Deepak Jain who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri V.N. Koura 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 to fix their remuneration.

SPECIAL BUSINESS

6. 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 resolutions passed by the members in the Annual General Meetings held on 6th October, 1993 and 30th September 1998, 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. 500 lacs fund based and Rs. 250 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 : 31st July, 1999

Registered Office :
Sansarpur Terrace,
Distt. Kangra,
Himachal Pradesh



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 6 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 Thursday, the 23rd Sept., 1999 till Thursday the 30th Sept., 1999 (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. 6

The company for renewal of its Working Capital limits has to approach to the banks (State Bank of Patiala and State Bank of Hyderabad), and for additional working capital sanctioned in its favour, the company has to create a second charge in favour of above banks of its immovable & movable assets, wherever situated, both present & future and the whole of the undertaking of the Company, situated at Sansarpur Terrace, Distt. Kangra (H.P.). Hence, the resolution is required to be passed for creation of charge on the additional working capital sanctioned to be sanctioned by the banks in favour of the company.

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

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

By Order of the Board

For SURAJ INDUSTRIES LIMITED

Sd/-

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : New Delhi
Dated : 31st July, 1999



SURAJ INDUSTRIES LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Seventh Annual Report alongwith the Audited Statements of the Account for the year ended 31st March, 1999.

FINANCIAL RESULTS :

During the year under review the turnover of the Company has increased by 24.76% over the previous year. Similarly, the Profit before Depreciation & Tax has increased to Rs. 148.32 lacs from Rs. 86.39 lacs during the previous year. The operational Profit after Depreciation & Miscellaneous Expenses is Rs. 86.13 lacs. However after writing off Bad Debts amounting to Rs. 72.24 lacs and Provision for Income Tax of Rs. 1.46 lacs, there is a net Profit of Rs. 12.43 lacs for the year under review.

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

	(Rs. in lacs)	
	1998-99	1997-98
Sales/Other Income	6109.26	4896.84
Profit/(Loss) before Depreciation & Miscellaneous Expenditure	148.32	86.39
Depreciation	57.00	55.73
Misc. Exp. Written Off	5.19	13.32
Profit/(Loss) before Extra Ord. Items	86.13	17.34
Bad Debt Written off	72.24	—
Loss on the sale of investments	—	40.00
Provision for Tax	1.46	—
Net Profit (Loss) for the year	12.43	(22.66)
Profit/(Loss) Brought Forward	23.78	46.44
Profit available for Appropriation	36.21	23.78
APPROPRIATIONS		
Dividend	—	—
Transfer to General Reserve	—	—
Balance carried to Balance Sheet	36.21	23.78

DIVIDEND

In view of Financial Results of the company, your Directors, are unable to recommend any dividend for the year under review. The company shares are listed at Ludhiana, New Delhi, Bombay and Jaipur Stock Exchanges. The company has paid the listing fees to all the stock exchanges except Jaipur stock exchange.

FINANCIAL POSITION

The Net tangible Worth of the company is Rs.767.28 lacs as on 31.03.99. The total capital employed by the company as on 31.03.99 stood at Rs. 1436.62 lacs.

During the year, the company has written off Rs. 72.24 lacs towards bad debts. These debts were lying irrecoverable since very long time and the company had made all possible efforts for recovering of the same.

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

SURAJ INDUSTRIES LIMITED**OPERATIONS**

The Company is selling its products viz. Vanaspati & Refined Oil under the brand name "Angan", 'Bhoj' & 'Apna'. The products enjoys a good brand image and has captured a major share of vanaspati market of Himachal Pradesh.

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

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 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.

Y2K COMPLIANCE

The company has been cognizant of the problem Y2K and expect that there will be no risk to the operations because of Y2K, as most of the hardware systems and software programme are latest which take care of the year 2000 issue. Modification in the programmes are made without incurring significant expenditures and no problems are anticipated.

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 and 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.

For and on behalf of the Board
For **SURAJ INDUSTRIES LIMITED**

Sd/-
(I.L. JAIN)
Chairman

Place : New Delhi
Dated : 31st July, 1999

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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, 1999 :

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, 1999	YEAR ENDED 31ST MARCH, 1998
POWER AND FUEL CONSUMPTION :		
1. Electricity		
a) Purchased		
Units (KWH)	3805970	5085250
Total Amount (Rs. lacs)	50.17	68.19
Rate/Unit (Rs.)	1.32	1.34
b) Own Generation	N.A.	N.A.
Through Diesel Generator	N.A.	N.A.
Units	N.A.	N.A.
Units Per Litre of Diesel Oil	N.A.	N.A.
Cost/Unit	N.A.	N.A.
Through Steam Turbine/	N.A.	N.A.
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.)	4104.04	6396.63
Total Cost (Rs. Lacs)	49.66	87.23
Rate/Unit (Rs.)	1209.92	1363.67
ii) Diesel & Other		
Quantity Litres	88400	87000
Total Cost (Rs. Lacs)	8.31	7.80
Average Rate (Rs.)	9.40	8.96



SURAJ INDUSTRIES LIMITED

5.	Consumption per Unit (M.T.) of production		
	Production (M.T.)	13324.95	13532.15
	Electricity (KWH)	286	376
	Diesel & Others (Litres)	6.63	6.43
	Coal	—	—
	De-oiled Rice Husk (Kg)	308	473

II. TECHNOLOGY ABSORPTION :

RESEARCH & DEVELOPMENT

The company has improved its processing mix by in-house research.

Future Action Plan :

To Start physical refining of oils firstly on laboratory basis and then at plant scale in order to minimise oil losses.

Technology Absorption, Adaptation and Innovation :

The continuous process technology used by the company is updated one. The company has not imported any technology for its products and it has no technical collaboration with any foreign party.

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

The company has not yet involved itself in transactions involving foreign exchange.

For and on behalf of the Board
For SURAJ INDUSTRIES LIMITED

Place : New Delhi
Dated : 31st July, 1999

Sd/-
(INDER LAL JAIN)
Chairman

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