

SURAJ INDUSTRIES LIMITED



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**9TH
ANNUAL REPORT
2000-2001**

SURAJ INDUSTRIES LIMITED**BOARD OF DIRECTORS****Chairman & Managing Director**

Shri Suraj Gupta

Directors

Shri Inder Lal Jain
Shri Gurcharan Arora
Shri J.K. Jain
Shri V.N. Koura
Shri Deepak Jain
Shri Vinod Arora
Shri Hardyal Doegar

Company Secretary

Bhanumati Ramachandran

Bankers

State Bank of Patiala
State Bank of Hyderabad

Auditors

M/s. Tas Associates
Chartered Accountants

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 Ninth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Friday, the 28th day of September, 2001 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, 2001 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 Vinod Arora who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Gurcharan Arora 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 modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Hardyal Doegar 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.”

By Order of the Board
For SURAJ INDUSTRIES LIMITED

Sd/-

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : New Delhi
Dated : 28th August, 2001

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



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NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 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 Monday, 24th September, 2001 till Friday the 28th September, 2001. (Both days inclusive).
- e) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.

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

ITEM NO. 5 :

The Board of Directors appointed Shri Hardyal Doegar 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. The Company has received a notice from a shareholder u/s. 257 of the Companies Act, 1956 alongwith Rs.500/- proposing the candidature of Shri Hardyal Doegar 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 Hardyal Doegar is interested in the resolution.

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

Sd/-

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : New Delhi
Dated : 28th August, 2001



SURAJ INDUSTRIES LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Ninth Annual Report alongwith the Audited Statements of Account for the year ended 31st March, 2001.

FINANCIAL RESULTS :

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

	(Rs. in lacs)	
	2000-2001	1999-2000
Sales/Other Income	3098.97	4777.58
Profit/(Loss) before Depreciation	(102.22)	59.97
Depreciation	58.95	58.46
Profit/(Loss) before extraordinary items	(161.17)	1.51
Loss on sale of Asset	1.83	-
Provision for Tax	-	0.17
Net Profit/(Loss) for the year	(163.00)	1.34
Profit/(Loss) Brought Forward	37.55	36.21
Profit/(Loss) available for Appropriation	(125.45)	37.55

APPROPRIATIONS

Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(125.45)	37.55

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.

FINANCIAL POSITION

The net tangible worth of the company is Rs.605.62 lacs as on 31.03.2001. The total capital employed by the company as on 31.03.2001 is Rs.1139.60 lacs.

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

OPERATIONS :

Due to increased competition from Imported Edible Oils during the year under review the sales of Vanaspati & Refined oils declined as compared to previous year. The margins were also under constrain as a result of which the company incurred losses during the year under review.



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However, the company has the potential to bounce back, as the brand "ANGAN" under which the company is selling its products enjoys a good reputation in the State of Himachal Pradesh and infact has captured a major share of the vanaspati market in the state.

DIRECTORS :

Shri Vinod Arora and Shri Gurcharan Arora, Directors retire by rotation and being eligible, offer themselves for re-appointment. During the year Sh. Hardyal Doegar was appointed as an additional Director under section 260 of the companies act. The company has received the notice under section 257 of the companies act proposing the appointment of Sh. Hardyal Doegar as regular director, Sh. Gurcharan Arora & Sh. Atul Jain resigned from the Whole Time Director and Directorship of the company and HPSIDC withdraw the nomination of Sh. B.S. Chauhan as director of the company. The expertise and invaluable guidance of Shri B.S. Chauhan & Sh. Atul Jain had helped the company to a great extent in forging ahead. The Board places on record its deep appreciation and gratitude for the valuable advice, guidance, assistance and services rendered by Shri B.S. Chauhan & Sh. Atul Jain during their tenure on the board.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your company confirm:

- a. that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- b. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are resonable 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 2000-2001 and of the profit or loss of the Company for that period;
- c. that they have 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 for preventing and detecting fraud and other irregularities;
- d. that they have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

Pursuant to the provisions of new Section 292A of the Companies Act, 1956, Your company has constituted the Audit Committee of the Board of Directors with the following composition.

1. Shri J.K. Jain
2. Shri Hardyal Doegar
3. Shri Deepak Jain

This committee has reviewed the Accounts for the year ended March, 31st, 2001.



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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.

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.

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

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

Place : New Delhi
Dated : 28th August, 2001

Sd/-
(Suraj Gupta)
Chairman & Managing Director

SURAJ INDUSTRIES LIMITED**ANNEXURE-I****ANNEXURE TO DIRECTOR'S REPORT**

INFORMATION AS PER SECTION 217(1)(e) READ WITH THE COMPANIES ANNEXURE - 1 (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, 2001 :

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, 2001	YEAR ENDED 31ST MARCH, 2000
<u>POWER AND FUEL CONSUMPTION :</u>		
1. Electricity		
a) Purchased		
Units (KWH)	2272320	3163020
Total Amount (Rs. lacs)	68.99	61.42
Rate/Unit (Rs.)	3.04	1.94
b) Own Generation		
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/ Generator Units	N.A.	N.A.
Units Per Litre of Fuel 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.)	4630.401	4026.076
Total Cost (Rs. Lacs)	61.35	47.33
Rate/Unit (Rs.)	1325.01	1175.59



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ii) Diesel & Other		
Quantity Litres	68580	88220
Total Cost (Rs. Lacs)	10.22	10.47
Average Rate (Rs.)	14.90	11.87
5. Consumption per Unit (M.T.)		
of production		
Production (Tonnes)	10500.842	14522.035
Electricity (KWH)	216.39	218.00
Diesel & Others (Litres)	6.53	6.07
Coal	-	-
De-oiled Rice Husk (Kg)	441	277

II. TECHNOLOGY ABSORPTION :

RESEARCH & DEVELOPMENT

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

Future Action Plan :

To Start physical refining of high FFA 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 involved itself in transactions involving foreign exchange.

For and on behalf of the Board
For SURAJ INDUSTRIES LIMITED

Sd/-

(Suraj Gupta)

Chairman & Managing Director

Place : New Delhi

Dated : 28th August, 2001