

SURAJ INDUSTRIES LIMITED



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10TH
ANNUAL REPORT
2001-2002

**SURAJ INDUSTRIES LIMITED**

BOARD OF DIRECTORS**Chairman & Managing Director**

Shri Suraj Gupta

Whole Time Director

Shri M.C. Pandey

Directors

Shri J.K. Jain

Shri V.N. Koura

Shri Ramesh Gupta

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 Tenth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Monday, the 30th day of September, 2002 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, 2002 and the Profit & Loss Account for the year ended on that date and report of the 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 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

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

"Resolved that Shri Ramesh Gupta who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of 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."

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

"Resolved that Shri M.C. Pandey who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of 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 the following resolution, with or without modification, as a Special Resolution :

"Resolved that subject to the approval of Central Government and of shareholders in ensuing Annual General Meeting by passing the special resolution and subject to the provision of section 198, 269, 309 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 appointment of Shri M.C. Pandey as whole Time Director of the Company to hold office for 2 years w.e.f. 27th April, 2002 on the terms and conditions as are set out in the agreement and as approved by the board of Director and Remuneration Committee with liberty to alter and vary the terms and conditions of the said agreement and/or agreements so as not to exceed the limit specified therein, or in any amendments and/or modification that may be hereafter be made in schedule XIII and other applicable provisions by the Central Government.

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

7. To consider and if thought fit, to pass the following resolution, with or without modification, as a Special Resolution :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any of the Companies Act, 1956 and/or the provisions of other statutes as may be applicable and/or subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association of the Company be and are hereby amended by insertion of new Article numbered 46-A after Article no. 46 of the Articles of Association of the Company as follows :



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46-A : Dematerialisation of Securities

(1) Definitions :

For the purpose of this Article :

“Beneficial owner” means a person or persons whose name is recorded in the Register maintained by a Depository under the Depositories Act, 1996 (22 of 1996).

“SEBI” means the Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (15 of 1992).

“Security” means such security as may be specified by SEBI from time to time and includes all kinds of shares or debentures which may be issued from time to time by the Company and which are entitled to be dematerialised.

“Members” in respect of dematerialised shares means the beneficial owner thereof, i.e. the person or persons whose name is recorded as a beneficial owner in the register maintained by a Depository under the Depositories Act, 1996 and in respect of the shares, the person or persons whose name is duly registered as a holder of a share in the Company from time to time and includes the subscribers to the Memorandum of Association.

“Corporate benefits” means and includes the benefits like dividend on the shares, interest on debentures, rights, options and bonus entitlements which may at any time be bestowed on the holders of the securities by virtue of holding the securities.

2. Dematerialisation of securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the provisions of the Depositories Act, 1996 or otherwise.

3. Issue of securities and option for investors :

Notwithstanding anything contained in these Articles, every issue of securities by the company may be in the dematerialised form and the company shall intimate the details of allotment to the depository immediately on allotment of such securities.

Investors in a new issue and the beneficial owners shall have the option to rematerialise the shares subsequent to the allotment or dematerialisation, as the case may be in which event the Company shall issue to the investor/beneficiary the required certificates of securities subject to the provisions of applicable laws, rules, regulations or guidelines.

4. Securities of the depository mode to be in fungible form :

All securities held in the depository mode with a depository shall be dematerialised and be in fungible form. To such securities held by a depository owner, nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372, 372A of the Act shall apply in accordance with Section 9(2) of the Depositories Act, 1996 (22 of 1996).

5. Right of Depositories and Beneficial Owners :

- a) Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be the registered owner for the purpose of effecting on behalf of the beneficial owner.
- b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have other membership rights or be entitled to the corporate benefits that may accrue to the members of the Company.
- c) Every person holding securities of the Company and whose name is entered as the beneficial owner



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in the register maintained by a depository shall be deemed to be a member of the Company. The beneficial owner of securities shall alone be entitled to all the liabilities like payment of unpaid call moneys and furnishing of such informations as may be necessary to enable the company to enter his name in the register and index of beneficial owners or other records as applicable, in respect of the securities held in the depository mode of which he is the beneficial owner.

6. Service of documents on Company

Notwithstanding anything contained in the Act of these Articles of the Company, where securities, are held in a depository mode, the records of the beneficial owner may be served by a depository on the company by means or electronic mode or by delivery of floppies or discs.

7. Service of notice on beneficial owners :

Wherever required, the company may serve a notice for any purpose under the Act in accordance with the provisions of Section 53 of the Act or as permissible under any law or statute for the time being in force.

8. Transfer of Securities :

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered in the Register maintained under the Depositories Act, 1996 (22 of 1996).

9. Distinctive numbers of securities held in depository mode :

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held in the depository mode :

10. Register and Index of Members :

a) The company shall cause to be kept a Register and Index of Members in accordance with all applicable provisions of the Act and the Depositories Act, 1996 (22 of 1996) with details of shares in material and dematerialised forms in any media as may be permitted by law, including in any form of electronic media.

b) The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be Register and Index of Members and holders of securities for the purpose of these Articles and the Act.

11. Issue of Share Certificates :

In the case of transfer and transmission of shares where the Company has not issued any certificates and where such shares are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply".

By Order of the Board

For SURAJ INDUSTRIES LIMITED

Sd/

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : New Delhi

Dated : 27th August, 2002

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 4 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 Friday, 27th September, 2002 till the Monday, the 30th September, 2002. (Both days inclusive).
- e) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.
- f) Members may note that company has deposited the unpaid/unclaimed share application money amounting to Rs. 2,24,500/- to the Investor Educational and Protection Fund of the Central Government.

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

ITEM NO. 4 :

The Board of Directors appointed Shri Ramesh Gupta 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 shareholder u/s. 257 of the Companies Act, 1956 alongwith Rs.500/- proposing the candidature of Shri Ramesh Gupta for the office of Director.

Your Directors recommend the resolution set out at item no. 4 for your approval.

None of the Directors except Shri Ramesh Gupta is interested in the resolution.

ITEM NO. 5 :

The Board of Directors appointed Shri M.C. Pandey 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 shareholder u/s. 257 of the Companies Act, 1956 alongwith Rs.500/- proposing the candidature of Shri M.C. Pandey for the office of Director.

Your Directors recommend the resolution set out at item no. 5 for your approval.

None of the Directors except Shri M.C. Pandey is interested in the resolution.

ITEM NO. 6 :

Shri M.C. Pandey was appointed as Whole Time Director by the Board of Directors in their meeting held on 27th April, 2002 subject to the approval of Central Government and shareholders in the ensuing Annual General Meeting. The appointment of Shri M.C. Pandey as Whole Time Director of the company is for a period of 2 years w.e.f 27.04.2002 on a total monthly remuneration of Rs. 15,500/- plus perks as approved by the remuneration committee meeting held on 14.05.2002. The approval of the Central Government is solicited because of latest amendment in schedule XIII of the companies act vide notification no. GSR 36(t) dated 16th January, 2002 and the company has already moved an application to the Central Government for getting the approval of appointment of Whole Time Director.

The details of the remuneration to be paid to the Whole Time Director is given below :



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- 1) Basic Salary Rs. 10,500/- per month.
- 2) Special Allowance Rs. 5000/- per month.
- 3) Perquisites: To be paid to Whole Time Director as mentioned below:
 - i) Company's Contributions to Provident Fund: As per Rules of the Company, but not exceeding 12% of the salary, as laid down in the Income Tax Rules, 1962.
 - ii) 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.
 - iii) 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.
 - iv) Gratuity: Not exceeding one half month's salary for each completed year of service, subject to maximum ceiling amount permissible as per payment of Gratuity Act.
 - v) Leased Accommodation to be provided by the Company to Whole Time Director.
 - vi) Company's car will be provided for use for company's business. Use of car for private purpose will be billed by the Company.
 - vii) Telephone to be provided at Whole Time Director's residence and all rentals and expenses except personal long distance calls will be paid by the Company.

The copy of the agreement signed between the Whole Time Director and the company regarding the terms and conditions of employment of Whole Time Director is available for the inspection of the members at the Registered Office of the company between 10.00 A.M. to 1.00 P.M. on all working days up to the date of Annual General Meeting of the company.

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

None of the Directors except Shri M.C. Pandey is interested in the resolution.

ITEM NO. 7 :

The Securities and Exchange Board of India (SEBI) has notified the equity shares of the company for compulsory trading in dematerialised form by all classes of investors.

The company has accordingly taking the necessary steps for entering into Tripartite Agreements with National Securities Depository Ltd. (NSDL), the Central Depository Services (India) Ltd. (CDSL) and the Depository Registrar, M/s. Beetal Financial Service (P) Ltd. to facilitate electronic trading of its shares. In this respect certain consequential changes are required to be made in the Articles of the company as given in the draft resolution.

A copy of the Memorandum and Articles of Association of the company and the Tripartite Agreement mentioned above are available in the Registered Office of the company for perusal of the shareholders on any working day from 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.

Your Directors recommend the resolution set out at item no. 7 for the approval of shareholders.

None of the Directors is concerned or interested in the resolution.

By Order of the Board
For **SURAJ INDUSTRIES LIMITED**
Sd/-

Place : New Delhi
Dated : 27th August, 2002

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY



SURAJ INDUSTRIES LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Tenth Annual Report alongwith the Audited Statements of Account for the year ended 31st March, 2002.

FINANCIAL RESULTS :

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

	(Rs. in lacs)	
	2001-2002	2000-01
Sales/Other Income	2135.23	3104.05
Profit/(Loss) before Depreciation	(62.31)	(102.22)
Depreciation	59.03	58.96
Profit/(Loss) before Extra Ord. Items	(121.34)	(161.18)
Loss on sale of Asset	-	1.83
Net Profit (Loss) for the year	(121.34)	(163.01)
Accumulated deferred tax liability of earlier year	7.72	-
Profit/(Loss) Brought Forward	(125.46)	37.55
Profit/(Loss) available for Appropriation	(254.52)	(125.46)

APPROPRIATIONS

Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(254.52)	(125.46)

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. 476.55 lacs as on 31.03.2002. The total capital employed by the company as on 31.03.2002 at Rs.1046.15 lacs.

The company has accepted the Deposits from specified persons as per the stipulation of the Banks and the statement in lieu of Advertisement has been filed with the Registrar of Companies, Punjab, Himachal Pradesh, Chandigarh and there is no default in repayment of any deposit.



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OPERATIONS

Due to increase competition from Imported Edible Oil 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.

DIRECTORS :

Shri V.N. Koura, Director retire by rotation and being eligible, offer himself for re-appointment. During the year Shri Ramesh Gupta and Shri M.C. Pandey were appointed as additional Directors under section 260 of the companies act. The company has received the notices from members under section 257 of the companies act proposing the appointment of Shri Ramesh Gupta and Shri M.C. Pandey as regular directors, Shri I.L. Jain, Shri Deepak Jain, Shri Gurcharan Arora, Shri Vinod Arora resigned from the Directorship of the company.

The expertise and invaluable guidance of Shri I.L. Jain, Shri Deepak Jain, Shri Gurcharan Arora, Shri Vinod Arora 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 I.L. Jain, Shri Deepak Jain, Shri Gurcharan Arora, Shri Vinod Arora 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 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 2001-2002 and of the 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 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 Dogar
3. Shri Ramesh Gupta.

This committee has reviewed the Accounts for the year ended March, 31st, 2002.

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

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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

Sd/-
(SURAJ GUPTA)
CHAIRMAN

Place : New Delhi
Dated : 27th August, 2002