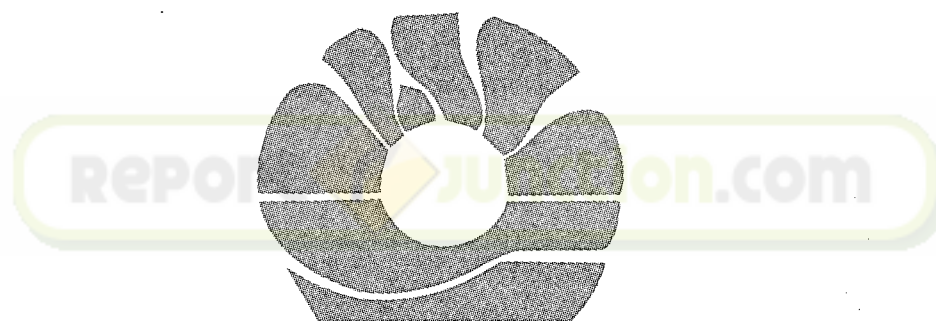


# SURAJ INDUSTRIES LIMITED



15TH  
ANNUAL REPORT  
2006-2007

**SURAJ INDUSTRIES LIMITED**

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**BOARD OF DIRECTORS****Chairman**

Shri J.K. Jain

**Whole Time Director**

Shri Pradeep Gupta

**Directors**

Shri Sandeep Agrawal

Shri S.K. Jain

Shri Inder Mani Mittal

**Company Secretary**

Bhanumati Ramachandran

**Bankers**

Punjab National Bank

**Auditors**

M/s Tas Associates

Chartered Accountants

**Registered Office**

Sansarpur Terrace,

Distt. Kangra

Himachal Pradesh

**Corporate Office**

A-8, Ground Floor

Sector-19, Noida-201301

**Share Transfer Agent**

Beetal Financial &amp; Computer Services (P) Ltd.

Beetal House,

3rd Floor, 99 Madangir

New Delhi-110062



## **SURAJ INDUSTRIES LIMITED**

### **NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Friday, the 28th day of September, 2007 at 2.30 P.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, 2007 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 J.K.Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Gupta 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 subject to the approval of the members in the General Meeting and pursuant to section 198, 269, 309 and 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 Pradeep Gupta as Whole Time Director of the company in accordance with schedules XIII of the companies act, 1956 to hold office for a period of two years w.e.f 29.4.2007 on a total monthly remuneration of Rs. 15,000/- per month plus benefits to be approved by a Remuneration Committee formed as per schedule XIII of the companies act with liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions of the said agreement and/or agreements 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 provision by the Central Government or as may be agreed between the Board of Directors and Shri Pradeep Gupta.

Resolved further that where in any financial year closing on and/or after 1st April, 2007 the company has no profits or its profits are inadequate the company may pay Shri Pradeep Gupta by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the Board of Directors and Remuneration Committee and to be within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution.”

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

“Resolved that in supersession of the earlier resolution passed by members in the last Annual General Meeting of the company held on 25<sup>th</sup> August, 2006 pursuant to the provisions of section 17/149 2A and all other applicable provisions, if any, of the Companies Act, 1956, the resolution for amendment of the object clause by inserting new clause 50 to 59 in the other objects of object clause and for commencement of new business under section 149 (2A) of the companies act be and is hereby withdrawn. .

Resolved further that the board of directors of the company be and are here by authorised to take such steps as may be necessary to give effect to this resolution.”



## **SURAJ INDUSTRIES LIMITED**

By Order of the Board  
For **SURAJ INDUSTRIES LIMITED**  
Sd/-  
**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

Place : NOIDA

Dated : 30<sup>th</sup> July, 2007

**Registered Office:**

Sansarpur Terrace,  
Distt. Kangra,  
Himachal Pradesh.

**NOTES :**

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 & 6 as set out above are 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, 26<sup>th</sup> September, 2007 till Friday, the 28<sup>th</sup> September, 2007. (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 in their meeting held on 30th April, 2007 re-appointed Shri Pradeep Gupta as Whole Time Director of the company subject to the approval of members in the General Meeting to hold the office for a period of two years w.e.f. 29.4.2007. The re-appointment of Shri Pradeep Gupta is in accordance of section 269 and schedule XIII of the companies act. Shri Pradeep Gupta, Whole Time Director shall be paid the remuneration of Rs. 15,000/- per month plus benefits as per details below :

- 1) Basic Salary Rs. 10,000/- P.M.
- 2) Other Allowances Rs. 5000/- P.M.
- 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) Leased Accommodation will be provided by the Company to Whole Time Director.
  - v) Company's car will be provided for use for company's business. Use of car for private purpose will be billed by the Company.
  - vi) 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.



## SURAJ INDUSTRIES LIMITED

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

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

### ITEM NO 6

The members are hereby informed that in the last Annual General Meeting held on 25<sup>th</sup> August, 2006, the members had passed the resolutions for amendment in the object clause by inserting new sub clause 50 to 59 in the 'other objects' and for commencement of new business under section 149(2A) of the companies act, 1956. The company has yet to obtain the approval of Registrar of companies under section 18 (1) of the companies act, 1956. The company has not started any business as mentioned in the new clause 50 to 59 and do not intend to start any business.

In view of this the approval of shareholder is solicited to consider to withdraw these resolutions and the same are to be treated as Null and Void.

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

None of the Directors is interested in the resolution.

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

**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

**Place : NOIDA**

**Dated : 30<sup>th</sup> July, 2007**

**Registered Office:**

Sansarpur Terrace,  
Distt. Kangra,  
Himachal Pradesh.

### ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

**Shri J.K.Jain** has done graduation in Commerce from Delhi University. Shri J.K.Jain has over 30 years of rich experience in Industry, Commerce and Business. He is associated with the company for the last 10 years and seeking his re-election as director of the company.

OTHER DIRECTORSHIP	Name of the Committee
<b>Name of Company</b>	<b>Name of the Committee</b>
Mohan Meakins Limited – Director	Suraj Industries Limited- Remuneration
Jain Motor Finance & Leasing (Pvt) Ltd.- Director	Committee- Chairman
Acropolyners (P) Limited – Director	Suraj Industries Limited – Investor
Madhu Distributor (P) Ltd. – Director	Grievance/Share Transfer Committee- Chairman

Shri Pradeep Gupta has over 20 years of rich experience in Industry, Commerce and Business and seeking his re-election as director of the company.

Other Directorship	Name of the Committee
<b>Name of the Company</b>	<b>Name of the Committee</b>
NIL	Suraj Industries Limited – Investor
	Grievance/Share Transfer Committee- Member



## SURAJ INDUSTRIES LIMITED

### DIRECTOR'S REPORT

#### TO THE MEMBERS,

Your Directors have pleasure in presenting their Fifteenth Annual Report alongwith the Audited Statements of Account for the year ended 31st March, 2007.

#### FINANCIAL RESULTS :

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

	(Rs. in lacs)	
	2006-2007	2005-2006
Sales/Other Income	1.45	166.75
Profit/(Loss) before Depreciation	(63.76)	65.29
Depreciation	0.34	0.14
Profit/(Loss) before Extra Ord. Items	( 64.10)	65.15
<b>Extra-ordinary Items</b>		
Inventory Written-off		3.11
Provision for Doubtful Debts	15.44	7.09
Bad Debts Written-Off		1.13
Prior Period items	(28.52)	
Loss on impairment & disposal of assets	(7.13)	200.61
Net Profit/(Loss) for the year	(72.41)	(118.27)
Provision for taxation		
Fringe Benefit Tax/Income Tax	0.75	1.10
Net Profit/(Loss) after tax	(73.16)	(119.37)
Profit/(Loss) Brought Forward	(996.12)	(876.75)
Net Profit/(Loss) Carried to		
Balance Sheet	(1069.28)	(996.12)
Profit/(Loss) available for		
Appropriation	(1069.28)	(996.12)
<b>APPROPRIATIONS</b>		
Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(1069.28)	(996.12)

#### 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 Bombay Stock Exchange. The company has paid the listing fees to Bombay Stock Exchanges for the financial year 2007-2008.

#### FINANCIAL POSITION :

Due to continuous losses there has been a gradual erosion in the capital employed in the unit. As a result the entire net worth of the company has been eroded. The company therefore had to resort to outside borrowings to clear the dues of the workers, staff, banks and financial institutions.

The company had accepted the Deposits from specified persons as per the stipulation of the Banks and there is no default in repayment of any deposit.



## **SURAJ INDUSTRIES LIMITED**

### **OPERATIONS :**

Due to adverse market conditions in respect of Edible Oil industry in the State of Himachal Pradesh and resultant losses, the manufacturing activities at company's unit at Sansarpur Terrace were stopped in February, 2003. The Company again started the operations at the unit and once again suffered heavy losses and consequently the operations were again stopped in December, 2004.

In the mean time, looking at the intermittent running of the unit, the workers and staff of the unit expressed their desire to relinquish their job. The company accepted their resignations and cleared the dues of each of them during the last year. Thereafter the unit was lying closed. The future prospects of improvement in the market conditions in the State which could render the operations of the unit viable, looked bleak because substantial quantity of cheap Vanaspati was being dumped into India from Sri Lanka and Nepal which is adversely affecting the domestic industry. In view of this, the permission of the Shareholders was sought for the disposal of the assets of the company at its factory at Sansarpur Terrace, Distt. Kangra, H.P., which was duly received in the Extra Ordinary General Meeting of the company held on 23<sup>rd</sup> July, 2005 at the Registered Office. Thereafter assets of the company at the factory at Sansarpur Terrace are being disposed. The company is now focusing on other activities like marketing & distribution of Liquor.

### **DIRECTORS :**

Shri J.K.Jain and Shri Pradeep Gupta Directors retires by rotation and being eligible, offers themselves for re-appointment.

### **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 2006-2007 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 these accounts without following the going concern assumption, in so far as these relate to Vanaspati Segment of the Company.

### **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 Sandeep Agrawal
2. Shri S.K.Jain
3. Shri Inder Mani Mittal

This committee has reviewed the Accounts for the year ended March, 31st, 2007.

### **CORPORATE GOVERNANCE**

SIL continues to function in a transparent manner with the basic philosophy to create wealth, besides taking care of the interests of all stakeholders including Shareholders, Banks, Financial Institutions, Customers, Employees and





## **SURAJ INDUSTRIES LIMITED**

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the Society at large.

Your Company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect. A separate section on Corporate Governance and a Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock exchanges, from part of the Annual Report.

### **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. During the financial year 2006-2007, there was no manufacturing activities at the unit. So no information for the financial year 2006-2007 has been provided under this head.

### **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.

### **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 the Institutions, its bankers and Directorate of Vanaspati, 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/-  
**(J.K. JAIN)**  
**CHAIRMAN**

Place : Noida  
Dated : 30<sup>th</sup> July, 2007





## SURAJ INDUSTRIES LIMITED

### ANNEXURE TO DIRECTOR'S REPORT

### ANNEXURE-I

INFORMATION AS PER SECTION 217(I)(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, 2007 :

#### I. CONSERVATION OF ENERGY :

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

There has been no manufacturing activity in the company for the last three years.

#### II. TECHNOLOGY ABSORPTION :

##### RESEARCH & DEVELOPMENT

There has been no manufacturing activity in the company for the last three years.

#### III. FOREIGN EXCHANGE EARNINGS & OUTGO :

Earnings	-	Nil
Outgo	-	Rs.0.79 lacs against travelling expenses

For and on behalf of the Board  
For SURAJ INDUSTRIES LIMITED

Place : Noida  
Dated : 30<sup>th</sup> July, 2007

Sd/-  
(J.K. JAIN)  
CHAIRMAN

### ANNEXURE TO DIRECTOR'S REPORT

### ANNEXURE-II

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED MARCH 31ST 2007.

Sl. No.	Name	Age	Qualification	Designation/ Nature of Duties	Date of Commencement of Employment	Remuneration (Rs.)	Experience (Yrs.)	Last Employment Held & Name of the Organisation	Designation
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-NIL

For and on behalf of the Board  
For Suaj Industries Limited

Place: Noida  
Date : 30<sup>th</sup> July, 2007

Sd/-  
(J.K. Jain)  
Chairman



## **SURAJ INDUSTRIES LIMITED**

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### **MANAGEMENT DISCUSSION AND ANALYSIS**

The company has exited from the Vanaspati/Refined oils business due to continuous losses resulting from adverse market conditions.

The company is now exploring the new avenues and in this direction the company has commenced business activities in liquor trade which is in line with the main objects as contained in the Memorandum and Articles of Association of the company.

### **FINANCIAL PERFORMANCE**

The Gross Revenue of the company was Rs.1.44 lacs against Rs. 134.80 lacs last year. The company during this year incurred a net loss of Rs 73.16 Lacs as against loss of Rs. Rs.119.37 lacs last year.

### **FINANCE COST**

The interest and financial charges for the year ended March 31, 2007 was Rs.0.23 lacs as against Rs. 5.96 lacs last year.

Share Capital of the company comprises of Equity Share Capital of Rs.733.31 lacs.

### **RSERVES AND SURPLUS**

As on March 31, 2007 there was debit balance of Rs.1069.28 lacs in the Profit & Loss Account as against Rs. 996.12 lacs as on 31<sup>st</sup> March, 2006.

### **EARNING PER SHARE**

Due to losses the earning per share is negative.

### **INTERNAL CONTROLS**

The company has adequate internal controls commensurate with its size and nature of business. These internal controls ensure optimum use and protection of available resources.

### **HUMAN RESOURCES**

The true assets of the company are its manpower. The company recognizes and appreciates the contribution of the employees in its working.

### **ENVIRONMENT CONSCIOUSNESS**

The company is environment conscious. It has got an effluent plant where the plant waste is treated before disposal.