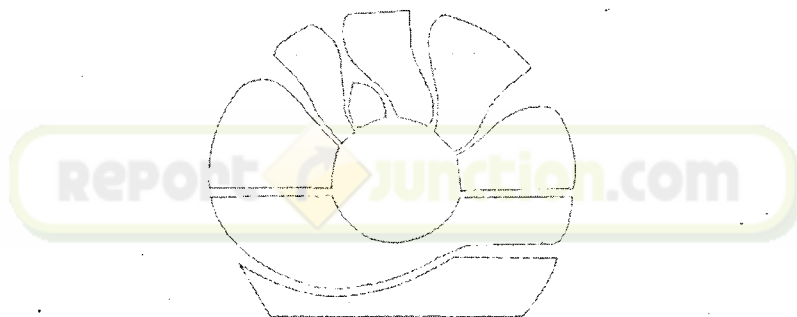


# **SURAJ INDUSTRIES LIMITED**



17TH  
ANNUAL REPORT  
2008-2009

**SURAJ INDUSTRIES LIMITED**

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**BOARD OF DIRECTORS**

<b>Chairman</b>	Shri J K Jain
<b>Whole Time Director</b>	Shri Pradeep Gupta
<b>Directors</b>	Shri Sandeep Agrawal Shri Inder Mani Mittal
<b>Company Secretary</b>	Bhanumati Ramachandran
<b>Bankers</b>	Punjab National Bank
<b>Auditors</b>	M/s. Tas Associates Chartered Accountants
<b>Registered Office</b>	Sansarpur Terrace, Distt. Kangra Himachal Pradesh
<b>Corporate Office</b>	B-19, First Floor, Sector-8, Noida-201301
<b>Share Transfer Agent</b>	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, New Delhi - 110062



## SURAJ INDUSTRIES LIMITED

### NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Wednesday, the 30th day of September, 2009 at 3.30 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, 2009 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 year w.e.f 30.4.2009 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. A draft copy of agreement whereof is placed before this meeting and is hereby specifically sanctioned 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, 2009 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.”

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

Place : Noida  
Dated : 31<sup>st</sup> July 2009

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



## SURAJ INDUSTRIES LIMITED

### NOTES :

- The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business item 5 as set out above is annexed hereto.
- 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.**
- Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, 29th September 2009 till Wednesday, the 30th September 2009. (Both days inclusive).
- 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 NO5 :

The Board of Directors in their meeting held on 30th April, 2009 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 year w.e.f. 29.4.2009. 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 of the Company, shall be paid the remuneration of Rs. 15,000/- per month plus benefits as per details below :

- Basic Salary Rs. 10,000/- P.M.
- Other Allowances Rs. 5000/- P.M.
- Perquisites: To be paid to Whole Time Director as mentioned below:
  - 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.
  - 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.
  - 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.
  - Leased Accommodation will be provided by the Company to Whole Time Director.
  - Company's car will be provided for use for company's business. Use of car for private purpose will be billed by the Company.
  - 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 except Saturday up to the date of Annual General Meeting of the company.

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

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

By Order of the Board

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

Place : Noida

Dated : 31<sup>st</sup> July 2009

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

**Shri J.K.Jain** has over 40 years experience in industry, commerce & business. He is associated with the company since last 13 years and is seeking re-election as director of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
a) Mohan Meakin Limited	1. Suraj Industries Ltd. -
b) Globus Industries and Services Limited	a) Investors' Grievance/Share Transfer Committee- Chairman
	b) Remuneration Committee - Member
	c) Audit Committee- Member

**Shri Pradeep Gupta** has over 20 years experience in industry, commerce & business. He is seeking re-election as director of the company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
Nil	1. Suraj Industries Ltd. -
	a) Investors' Grievance/Share Transfer Committee- Member



## SURAJ INDUSTRIES LIMITED

### DIRECTOR'S REPORT

#### TO THE MEMBERS,

Your Directors have pleasure in presenting their Seventeenth Annual Report along with the Audited Statements of Account for the year ended 31st March 2009.

#### FINANCIAL RESULTS:

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

	<b>(Rs. in lacs)</b>	
	<b><u>2008-2009</u></b>	<b><u>2007-2008</u></b>
Other Income	33.32	52.55
Profit/(Loss) before Depreciation	19.93	35.75
Depreciation	0.34	0.34
Profit/(Loss) before Extra Ord. Items	19.59	35.41
<b><u>Extra-ordinary Items</u></b>		
Loss on impairment & disposal of assets	NIL	5.20
Net Profit/(Loss) for the year before tax	19.59	30.21
<b><u>Provision for taxation</u></b>		
Fringe Benefit Tax/Income Tax	0.06	0.17
Net Profit/(Loss) after tax	19.53	30.04
Profit/(Loss) Brought Forward	(1039.25)	(1069.28)
Net Profit/(Loss) Carried to		
Balance Sheet	(1019.72)	(1039.25)
Profit/(Loss) available for		
Appropriation	(1019.72)	(1039.25)
<b>APPROPRIATIONS</b>		
Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(1019.72)	(1039.25)

#### 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 Exchange for the financial year 2009-2010.

#### FINANCIAL POSITION:

Due to continuous losses there has been gradual erosion in the capital employed in the unit. As a result the entire net worth of the company has been eroded.

#### OPERATIONS:

Due to adverse market conditions and bleak prospects, the company has exited from the edible oils business. The company thereafter had ventured into marketing and distribution of liquor. But the same has also been discontinued due to bleak prospects.

The company is now in the look out for some other business which can give it steady returns in the long run.



## SURAJ INDUSTRIES LIMITED

### DIRECTORS :

Shri J.K.Jain and Sri Pradeep Gupta, Directors retire by rotation and being eligible, offer 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:

- 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 except for the provision of Gratuity and Leave Encashment which have been accounted for on actual liability on the balance sheet date, amounting to Rs 47354/- & Rs 8928/- respectively, instead of as prescribed under AS-15 (reference is invited to Note no. 9 of part B of Schedule J to the Accounts). Since the going concern assumption is not followed in these accounts, the concept of actuarial valuation cannot be applied in the circumstances.
- 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 2008-2009 and of the profit of the Company for that period.
- 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.
- With the closure of all the business segments as mentioned in Note no. 4 & 5 of part B of Schedule J to the Accounts, the accounts have been prepared without following the going concern assumption and all expenses of revenue nature incurred during the year relating to above segment have been charged off to Profit & Loss Account.

### 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 Inder Mani Mittal
3. Shri J. K. Jain\*

*\* Shri J. K. Jain has been nominated as member of Audit Committee on 30.4.2009 in the meeting of Board of Directors held on 30.4.2009 after the resignation of Shri S. K. from directorship of the company on 30.4.2009*

This committee has reviewed the Accounts for the year ended March 31, 2009.

### 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 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 recommend their re-appointment. The company has received the requisite



## **SURAJ INDUSTRIES LIMITED**

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 Auditors in their report have invited reference to note no 4&5 of part B of Schedule J (notes to the accounts) to the effect that the accounts have been prepared without following the going concern assumption on the closure & cessation of the business by the company and disposal of major assets in preceding years.

As mentioned earlier, the company has exited from the edible oils business due to adverse market conditions and bleak prospects. All the workers and the employees employed at the factory at Sansarpur terrace had resigned voluntarily. Thereafter looking at the bleak prospects, the company had sold off its assets at the factory after taking permission from the members of the company, to pay off its liabilities. Thereafter the company ventured into marketing and distribution of liquor but the same has also been discontinued. Since at present the company had no continuing business except for the liquidation/realization of the liabilities/assets of the previous businesses, the accounts of the company have been drawn without following the going concern assumption.

Since the company did not have any continuing business operations during the year and the volume of transactions were very less, internal audit through an external agency was not carried out. However, the internal controls were adequately exercised keeping in view the volume of transactions during the year.

However, it does not affect the true and fair view as confirmed by the Auditors in para 5(g) of their report.

### **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 2008-2009, the manufacturing activities at the unit were suspended. So no information for the financial year 2008-2009 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.

### **INSURANCE:**

All the insurable interest of the Company wherever required 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 its bankers, Government of Himachal Pradesh and the local authorities.

In the end, your Directors wish to place on record their deep appreciation of the enthusiasm, initiative and hard work put in by the employees of the company.

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

Sd/-

**(J.K. JAIN)**

**CHAIRMAN**

Place : Noida

Dated : 31<sup>st</sup> July 2009



## 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, 2009 :

#### 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 since 2005.

#### II. TECHNOLOGY ABSORPTION :

##### RESEARCH & DEVELOPMENT

There has been no manufacturing activity in the company since 2005.

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

Earnings - Nil

Outgo - Nil

For and on behalf of the Board  
For SURAJ INDUSTRIES LIMITED

Sd/-

(J.K. JAIN)

CHAIRMAN

Place : Noida

Dated : 31<sup>st</sup> July 2009

### 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 2009.

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

Sd/-

(J.K. Jain)

Chairman

Place : Noida

Date : 31<sup>st</sup> July, 2009





## **SURAJ INDUSTRIES LIMITED**

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### **MANAGEMENT DISCUSSION AND ANALYSIS**

Due to adverse market conditions and bleak prospects, the company has exited from the edible oils business. The company thereafter had ventured into marketing and distribution of liquor. But the same has also been discontinued due to bleak prospects.

The company is now in the look out for some other business which can give it steady returns in the long run.

### **FINANCIAL PERFORMANCE**

The Gross Revenue of the company was Rs.33.32 lacs against Rs. 52.55 lacs last year. The company during this year earned a net profit of Rs 19.54 Lacs as against a net profit of Rs 30.04 lacs last year.

### **FINANCE COST**

The financial charges for the year ended March 31, 2009 was Rs.0.19 lacs as against Rs 0.08 lacs last year.

### **RSERVES AND SURPLUS**

As on March 31, 2009 there was debit balance of Rs.1019.71 lacs in the Profit & Loss Account as against Rs. 1039.25 lacs as on 31<sup>st</sup> March, 2008.

### **EARNING PERSHARE**

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 RESURCES**

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.



## SURAJ INDUSTRIES LIMITED

### REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company :

#### 1. COMPANY'S PHILOSOPHY

Corporate Governance is an important cornerstone of our objective of creating shareholder value. The Company firmly believe in and have consistently practiced good corporate governance. Corporate Governance at the company is practiced through a well structured organisation and regulatory framework involving the Board of Directors, Committees of the Board, the Chairman and a team of Senior Executives. Our Corporate Governance Policies recognize the accountability of the Board and the importance of its decisions to all our consultants including investors, employees, bankers, etc. The Company's essential character and complexion are shaped by the very values of transparency, professionalism and accountability.

#### 2. BOARD OF DIRECTORS

##### (a) Board Procedure :

During the financial year ended March 31, 2009, six Board meeting was held on 30<sup>th</sup> April, 2008, 26<sup>th</sup> June 2008, 30<sup>th</sup> June 2008, 31<sup>st</sup> July 2008, 31<sup>st</sup> October 2008 and 31<sup>st</sup> January 2009.

##### (b) Composition and Category of Board :

The Board of Directors as on March 31, 2009, consists of a majority of Non-Executive Independent Directors, many of them are acknowledged as leading professionals in their respective fields. In all the Board comprises of one (1) Executive Director, four (4) Non Executive Independent Directors. The constitution of Board, as on March 31, 2009 is given below:-

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2009	Attendance at last AGM
		Board	Committee			
			Member-ship	Chairman ship		
Shri J.K. Jain	Non Executive Independent Chairman	1	-	-	6	No
Shri S.K Jain	Non Executive Independent	1	1	-	4	No
Shri Inder Mani Mittal	Non Executive Independent	1	1	1	6	No
Shri Pradeep Gupta	Independent Executive Director	-	-	-	6	Yes
Shri Sandeep Agrawal	Non Executive Independent	2	1	1	6	yes

None of the Directors of the Company is a member of more than 10 committees or Chairman of more than five committees across all the companies in which they are Directors

#### 3. AUDIT COMMITTEE

The Company had constituted an Audit Committee in the year January 2001. The Constitution of Audit Committee meets the requirements under Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. During the year the Audit Committee comprised of 3(three) Directors, namely Shri