

**18th Annual Report  
2009-2010**



**SURAJ INDUSTRIES LIMITED**



# SURAJ INDUSTRIES LIMITED

## **BOARD OF DIRECTORS**

Chairman	Shri J.K. Jain
Whole Time Director	Shri Pradeep Gupta
Directors	Shri Sandeep Agrawal Ms. Rashmi Saxena
Company Secretary	Bhanumati Ramachandran
Bankers	Punjab National Bank
Auditors	M/s Tas Associates Chartered Accountants
Registered Office	Sansarpur Terrace, Distt. Kangra, Himachal Pradesh
Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, New Delhi-110 062

## **REGISTERED OFFICE**

Sansarpur Terrace, Distt. Kangra, Himachal Pradesh

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### **NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the members of **SURAJ INDUSTRIES LIMITED** will be held on Thursday, the 30th day of September, 2010 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, 2010 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 Sandeep Agrawal 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 modifications, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms Rashmi Saxena 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 Director by rotation.”

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

Sd/-  
**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

Place : NOIDA  
Dated : 1<sup>st</sup> September , 2010

#### **NOTES :**

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business item 4 as 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, 23rd September 2010 till Thursday, the 30th September 2010. (Both days inclusive).
- e) Members desirous of obtaining any information concerning the accounts and operation of the Company requested to send their query to the Company at least 10 days before the date of the Annual General Meeting so that any information required by the members may be made available at the meeting.
- f) 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 4:**

The Board of Directors appointed Ms. Rashmi Saxena as an Additional Director of the Company in accordance with Article 89 of the Article of Association of the Company and section 260 of the Companies Act, 1956 to hold the office upto the date of ensuing Annual General Meeting. The Company has received a notice from shareholder under section 257 of the Companies Act, 1956 along with Rs. 500/- proposing the candidature of Ms. Rashmi Saxena for the office of Director.

Your Directors, therefore, recommend the resolution set out at Item No.4 for your approval.

None of the Directors except Ms. Rashmi Saxena is interested in the resolution.

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

Sd/-  
**BHANUMATI RAMACHANDRAN**  
COMPANY SECRETARY

Place : NOIDA  
Dated : 1<sup>st</sup> September , 2010

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

**Shri Sandeep Agrawal** has over 20 years experience in industry, commerce & business. He is associated with the Company since last 20 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) Delhi Liquors Limited b) Millenium Breweries & Allied Products Limited c) Globus Industries & Services Limited	1. Suraj Industries Ltd. a) Investors' Grievance/Share Transfer Committee- Member b) Remuneration Committee – Member c) Audit Committee- Member

**DIRECTORS' REPORT**

Dear Members,

Your Directors hereby present their Eighteenth Annual Report along with the Audited Statements of Account for the year ended 31st March 2010.

**FINANCIAL RESULTS**

Financial Results for the year's operations and the comparative figures of the previous year are summarised below:  
(Rs. in lacs)

<b>Particulars</b>	<b>Year Ended on 2009-2010</b>	<b>Year Ended on 2008-2009</b>
Income	<b>7.70</b>	33.32
Profit/(Loss) before Depreciation	<b>(11.02)</b>	19.93
Depreciation	<b>0.34</b>	0.34
Profit/(Loss) before Extra Ord. Items	<b>(11.36)</b>	19.59
<b>Extra-ordinary Items</b>		
Loss on impairment & disposal of assets	<b>NIL</b>	NIL
Net Profit (Loss) for the year before tax	<b>(11.36)</b>	19.59
<b>Provision for taxation</b>		
Fringe BenefitS Tax/Income Tax	<b>NIL</b>	0.06
Net Profit/(Loss) after tax	<b>(11.36)</b>	19.53
Profit/ (Loss) Brought Forward	<b>(1019.72)</b>	(1039.25)
Net Profit/(Loss) Carried to Balance Sheet	<b>(1031.08)</b>	(1019.72)

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.

**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 2010-2011.

**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. During the year the company has restarted trading activities.

The shareholders has authorized the Board of Directors to sell the lease hold land measuring 38000 sq meters with building structure situated at Sansarpur Terrace, District Kangra, Himachal Pradesh through postal ballot resolution dated May 10, 2010. Accordingly your Board of Directors at its meeting held on May 14, 2010 has accorded their consent to sell off the said land to M/s Premier Alcobev Private Limited after complying the necessary formalities in this regard.

**DIRECTORS**

Shri Sandeep Agrawal, Director retire by rotation and being eligible, offer himself 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 55552/- & Rs 7665/- respectively, instead of actuarial valuation (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 polices 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 2009-2010 and of the profit 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. With the closure of all the business segments as mentioned in Note no. 4 of part B of Schedule I to the Accounts, the accounts have been prepared not 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 J.K. Jain
3. Shri Pradeep Gupta\*

*\* Shri Pradeep Gupta has been nominated as member of Audit Committee on 01.01.2010 in the meeting of Board of Directors held on 01.01.2010 in place of Shri Indermani Mittal who has resigned as Director of the Company with effect from 01.01.2010.*

This Committee has reviewed the Accounts for the year ended March 31, 2010.

**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, 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 form 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 made, 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 of part B of Schedule I (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 counts of the Company have been drawn without following the going concern assumption.

Since the Company did not have any continuing business operations except the trading of vanaspati/ refined oil 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) (e) 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. Since there were no manufacturing activities during the Financial Year 2009-2010, so no information has been provided under this head.

**PARTICULARS OF EMPLOYEES**

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down u/s. 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence the details required under Section 217 (2A) are not given.

**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.

**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 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)**  
DIRECTOR

Sd/-  
**(PRADEEP GUPTA)**  
WHOLE TIME DIRECTOR

Place : NOIDA

Dated : 1<sup>st</sup> September, 2010

**ANNEXURE-I****ANNEXURE TO DIRECTORS' REPORT**

**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, 2010 :**

**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)**  
DIRECTOR

Sd/-  
**(PRADEEP GUPTA)**  
WHOLE TIME DIRECTOR

Place : NOIDA

Dated : 1<sup>st</sup> September, 2010

**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.7.70 lacs against Rs.33.32 lacs last year. The Company during this year suffered a loss of Rs 11.36 Lacs as against a net profit of Rs 19.54 lacs last year.

**FINANCE COST**

The financial charges for the year ended March 31, 2010 was Rs 0.01 lacs as against Rs 0.19 lacs last year.

**RESERVES AND SURPLUS**

As on March 31, 2010 there was debit balance of Rs 1031.08 lacs in the Profit & Loss Account as against Rs. 1019.71 lacs as on 31<sup>st</sup> March, 2009.

**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.

**ENVIRONMENT CONSCIOUSNESS**

The Company is environment conscious.



## 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 believes in and has 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, 2010, six Board meetings were held on 30<sup>th</sup> April, 2009, 31<sup>st</sup> July 2009, 31<sup>st</sup> October 2009, 1<sup>st</sup> January 2010, 30<sup>th</sup> January, 2010 and 29<sup>th</sup> March, 2010.

(b) **Composition and Category of Board** : The Board of Directors as on March 31, 2010, 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, 2010 is given below:-

Name of the Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2009-2010 Memberships	Attendance at Last AGM
		Board	Committee			
			Membership	Chairmanship		
Shri J.K. Jain	Non Executive Independent Chairman	1	—	—	6	Yes
Shri S.K Jain*	Non Executive Independent	1	1	—	6	No
Shri Inder Mani Mittal**	Non Executive Independent	1	1	1	3	No
Shri Pradeep Gupta	Executive Director	—	—	—	6	Yes
Shri Sandeep Agrawal	Non Executive Independent	2	1	1	6	Yes
Ms. Rashmi Saxena***	Non Executive Independent	—	—	—	2	No

\* Ceased to be director on 30.04.2009

\*\* Ceased to be director on 01.01.2010

\*\*\* Appointed on 01.01.2010

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, four Audit Committee meetings were held on 30.04.2009, 31.07.2009, 31.10.2009 and 30.01.2010. The composition of Audit Committee as on March 31, 2010 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2009-10
Shri Sandeep Agrawal	Chairman	4
Shri S.K Jain*	Member	1
Shri Inder Mani Mittal**	Member	3
Shri J.K. Jain	Member	3
Shri Pradeep Gupta	Member	1

\* Ceased to be member on 30.04.2009 and Shri J.K.Jain has been nominated on 30.04.2009 in the meeting of Board of Directors held on 30.04.2009

\*\* Ceased to be member on 01.01.2010 and Shri Pradeep Gupta has been nominated on 01.01.2010 in the meeting of Board of Directors held on 01.01.2010.

Ms. Bhanumati Ramachandran, Company Secretary acts as Secretary of the Committee.