

SURAJ INDUSTRIES LIMITED

21st ANNUAL REPORT
2012-2013

BOARD OF DIRECTOR

Chairman	Shri J.K. Jain
Whole Time Director	Shri Pradeep Gupta
Director	Shri Shashi Sharma
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, 3rd Floor, 99, Madangir, New Delhi-110062

Annual Report 2012-2013

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Notice

NOTICE is hereby given that the Twenty First Annual General Meeting of the members of **M/S SURAJ INDUSTRIES LIMITED** will be held on Monday, September 30, 2013 at 2.00 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 March 31, 2013 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 Mr. Shashi Sharma 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 and to pass the following resolution thereof:

"RESOLVED THAT M/s Satendra Rawat & Co., Chartered Accountants, be and are hereby appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at remuneration to be fixed by the Board of Directors."

NOTES:

- a) 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.
- b) Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Monday September 23, 2013 till Monday, the September 30, 2013. (Both days inclusive).
- d) 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.
- e) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.

**By Order of the Board
For Suraj Industries Limited**

**Place : Noida
Date : 05.09.2013**

**BHANUMATI RAMACHANDRAN
COMPANY SECRETARY**

Registered Office
Sansarpur Terrace,
Distt. Kangra,
Himachal Pradesh

Directors' Report

TO THE MEMBERS,

Your Directors hereby present their Twenty First Annual Report along with the Audited Statements of Account for the year ended March 31, 2013.

FINANCIAL RESULTS

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

	(Rs. In Lacs)	
	Year ended 2012-2013	Year ended 2011-2012
Income	-	-
Profit/(Loss)before Depreciation	(1.56)	0.97
Depreciation	0.34	0.34
Net Profit (Loss) after depreciation before tax	(1.90)	0.63
Provision for taxation		
Fringe Benefits Tax/Income Tax	-	-
Net Profit/(Loss) after tax	(1.90)	0.63
Profit/ (Loss) Brought Forward	(1039.54)	(1040.18)
Net Profit/ (Loss) Carried to Balance Sheet	(1041.44)	(1039.54)

During the year the Company has earned Nil income as against of Rs. 3.02 lacs in the previous year. Your management is taking efforts to increase the revenue of the Company.

As the Company suffered a loss of Rs. 1.90 lacs during the year, the total accumulated losses as on March 31, 2013 has increased to Rs. 1041.44 lacs as compared to 1039.54 lacs in the previous year.

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 2012-2013.

DIRECTORS

Shri Shashi Sharma, Director retires by rotation and being eligible, offers 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 instead of the actuarial valuation (reference is invited to Note no. 1(a) and 17 of Balance Sheet). 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 2012-2013 and of the loss 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. 1 under Basis for Qualified Audit Opinion of Auditor's Report, 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.

- Shri J.K. Jain
- Shri Pradeep Gupta
- Shri Shashi Sharma

This Committee has reviewed the Accounts for the year ended March 31, 2013.

CORPORATE GOVERNANCE

Suraj Industries Limited 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 who hold office until the conclusion of ensuing Annual General Meeting have expressed their unwillingness to continue as Statutory Auditor of the Company.

It is proposed to appoint M/s Satendra Rawat & Co. as the Statutory Auditor of the Company. The Company has received a certificate from M/s Satendra Rawat & Co., Chartered Accountants u/s 224(1B) of the Companies Act, 1956 to act as Statutory Auditor of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting of the Company. The Board recommends their appointment.

Directors' Report

AUDIT REPORT

Auditors Remark - 1

In the Auditor Report under point no. 1 of Basis for Qualified Audit Opinion, it has been stated that "Attention is drawn to note no. 1(a) and note 17 of the Balance Sheet to the effect that the accounts have been prepared without following the going concern assumption on the closure & cessation of the two business segments by the Company and disposal of major assets of these discontinued segments in preceding years".

Board's Reply

The explanation of the Directors on the above comment is as under:

As the members are aware that 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.

Auditors Remark - 2

In the Auditor Report under point no. 2 of Basis for Qualified Audit Opinion, it has been stated that "Company has a sum of Rs. 6.43 lacs as recoverable advances on account of sales tax and income tax refunds, which in view of long time lag, in our opinion, are not realisable and should have been written off. Therefore, the profit of the year and current assets are shown more by Rs. 6.43 lacs and deficit in statement of profit and loss account is shown less to that extent".

Board's Reply

The company is Pursuing the recovery of these dues from Sales Tax & Income Tax Department. In view of this, these amounts have not been written off as non- recoverable.

Auditors Remark - 3

In the Annexure to Auditor Report under point no. 7, it has been stated that "Consequent to cessation of operations in both the segments of the Company viz Vanaspati and the liquor division in the earlier years, the internal audit was not carried out by the company during the year, as explained to us, in view of the size and nature of the business carried on by the Company during the year".

Board's Reply

The explanation of the Directors on the above comment is as under:

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.

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.

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

(J.K. JAIN)

CHAIRMAN

DIN : 00120204

Place : NOIDA

Date : September 5, 2013

Annexure to the Directors' Report

ANNEXURE-I EARNING PER SHARE

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, 2013:

I. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

- 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 hence no information has been provided.

II. FOREIGN EXCHANGE EARNINGS & OUTGO:

Earnings	-	Nil
Outgo	-	Nil

For and on behalf of the Board
For Suraj Industries Limited

(J.K. JAIN)

CHAIRMAN

Place : NOIDA

Date : September 5, 2013

DIN : 00120204

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.

For and on behalf of the Board
For Suraj Industries Limited

(J.K. JAIN)

CHAIRMAN

DIN : 00120204

Place : NOIDA

Date : September 5, 2013

ANNEXURE TO DIRECTOR'S REPORT

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 Nil as against Rs. 3.02 lacs of last year. During the year, the Company suffered a loss of Rs 1.90 lacs as against the profit of Rs. 0.63 lacs of last year. The total accumulated loss carried to the Balance Sheet was Rs. 1041.44 lacs.

FINANCE COST

The financial charges for the year ended March 31, 2013 was Rs. 595 as against Rs. 544 of last year.

PROFIT & LOSS ACCOUNT

As on March 31, 2013 there was debit balance of Rs. 1041.44 lacs in the Profit & Loss Account as against Rs. 1039.54 lacs of last year.