

# **SURAJ INDUSTRIES LIMITED**

22<sup>nd</sup> ANNUAL REPORT  
2013-2014

## BOARD OF DIRECTORS

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 Satendra Rawat & Co Chartered Accountants
Registered Office	Sansarpur Terrace, Distt. Kangra, Himachal Pradesh
Share Transfer Agent Services Pvt. Ltd.	Beetal Financial & Computer  Beetal House, 3rd Floor, 99, Madangir, New Delhi-110062

# **Annual Report 2013-2014**

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## Notice

**NOTICE** is hereby given that the Twenty Second Annual General Meeting of the members of **M/s SURAJ INDUSTRIES LIMITED** will be held on Tuesday, September 30, 2014 at 3.00 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 Financial Statement of the Company for the financial year ended 31st March, 2014 and the report of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Janeshwar Kumar Jain 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** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, **M/s Satendra Rawat & Company, Chartered Accountants**, having Firm Registration No. 008298C, be and are hereby appointed as Statutory Auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at such remuneration as 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 Tuesday, September 23, 2014 to Tuesday, September 30, 2014 (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

Dated: 05.09.2014

Sd/-  
**BHANUMATIRAMACHANDRAN**  
COMPANY SECRETARY  
Membership No. ACS 9145  
Address: E 13 GTB Hospital,  
Staff Quarters, Delhi - 110095

### Registered Office:

Sansarpur Terrace,  
Distt. Kangra,  
Himachal Pradesh

# Directors' Report

## TO THE MEMBERS,

Your Directors hereby present their Twenty Second Annual Report along with the Audited Statements of Account for the year ended March 31, 2014.

## FINANCIAL RESULTS

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

	(Rs. in lacs)	
	2013-2014	2012-2013
Income	-	-
Profit/(Loss) before Depreciation	(0.86)	(1.56)
Depreciation	0.34	0.34
Net Profit (Loss) after depreciation before tax	(1.20)	(1.90)
Provision for taxation		
Fringe Benefits Tax/Income Tax	-	-
Net Profit/(Loss) after tax	(1.20)	(1.90)
Profit/ (Loss) Brought Forward	(1041.44)	(1039.54)
Net Profit/ (Loss) Carried to Balance Sheet	(1042.65)	(1041.44)

During the year the Company has earned Nil income in the Current year. Your management is taking efforts to increase the revenue of the Company.

As the Company suffered a loss of Rs. 1.20 lacs during the year, the total accumulated losses as on March 31, 2014 has increased to Rs. 1042.65 lacs as compared to 1041.44 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.

## DIRECTORS

Shri Janeshwar Kumar Jain, 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 Note no. 15 of the 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 2013-2014 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, 2014.

## 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 Satendra Rawat & Company, 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 certificate from M/s Satendra Rawat & Company, Chartered Accountants to the effect that their re-appointment, if effected, would be in accordance with the provisions of Section 139 (1) of the Companies Act, 2013 and Rules made there under.

## 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 15 of the Balance Sheet to the effect that these 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".

# Directors' Report

## 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. 6.38 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. 6.38 lacs and deficit in statement of profit and loss account is shown less to that extent".

## Board's Reply

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

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 and the volumes of transactions are 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**

Sd/-

(J.K. JAIN)

CHAIRMAN

DIN: 00120204

Address: Flat no. 001, Tower – 8,

The Close South, Nirvana Country, Sector – 50,

Gurgaon, Haryana - 122018

Place: NOIDA

Date: September 5, 2014

## Annexure to the Directors' Report

### ANNEXURE-I

**INFORMATION AS PER SECTION 217(l)(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, 2014:**

#### **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**

Sd/-

**(J.K. JAIN)**

CHAIRMAN

DIN: 00120204

Address: Flat no. 001, Tower – 8,

The Close South, Nirvana Country, Sector – 50,

Gurgaon, Haryana - 122018

Place: NOIDA

Date: September 5, 2014

### 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 in the current year. During the year, the Company suffered a loss of Rs 1.20 lacs as against the loss of Rs. 1.90 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, 2014 was Rs. 5901 as against Rs. 595 of last year.

#### **PROFIT & LOSS ACCOUNT**

As on March 31, 2014 there was debit balance of Rs. 1042.65 lacs in the Profit & Loss Account as against Rs. 1041.44 lacs of last year.

#### **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.

For and on behalf of the Board

**For Suraj Industries Limited**

Sd/-

**(J.K. JAIN)**

CHAIRMAN

DIN: 00120204

Address: Flat no. 001, Tower – 8,

The Close South, Nirvana Country, Sector – 50,

Gurgaon, Haryana - 122018

Place: NOIDA

Date: September 5, 2014

# 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 shareholders value. The Company firmly believes in and has consistently practiced good corporate governance. Corporate Governance at the Company is practiced through a well structured organization 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, 2014, Five Board meetings were held on 30.05.2013, 12.08.2013, 05.09.2013, 14.11.2013 and 14.02.2014.

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

The Board of Directors as on March 31, 2014, 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, Two (2) Non Executive Independent Directors. The constitution of Board, as on March 31, 2014 is given below:-

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2013-2014	Attendance at last AGM
		Board	Committee			
			Membership	Chairman-ship		
Shri J.K. Jain	Non-Executive Independent Director	3	-	1	5	Yes
Shri Pradeep Gupta	Non-Executive Director	-	-	-	-	No
Shri Shashi Sharma	Non Executive Independent Director	-	-	-	5	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, five Audit Committee meetings were held on 30.05.2013, 12.08.2013, 05.09.2013, 14.11.2013 and 14.02.2014.

The composition of Audit Committee as on March 31, 2014 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2013-2014
Shri Pradeep Gupta	Director	-
Shri J.K Jain	Director	5
Shri Shashi Sharma	Director	5

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

The terms of reference to the Audit Committee include inter-alia the following:

- To review the quarterly, half years and annual financial statements before submission to the Board for approval.
- To discuss the Auditors about internal control system and to consider their observations and follow-up.
- To ensure compliance of internal control system.