

Annual Report 2007-2008



Suryo Foods & Industries Limited

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19th Annual General Meeting
On Friday, the 26th day of September , 2008 at 11.00 A.M.
at A-54/1 & A-55/1, Baramunda, Bhubaneswar,
Orissa-751003, the Registered Office of the Company

BOARD OF DIRECTORS : MR. AMARENDRA DASH, *Chairman & Managing Director*
MS. ANNAPURNA DASH, DIRECTOR
MR. AJAY KUMAR DASH, DIRECTOR
MR. BATA KRISHNA TRIPATHY, DIRECTOR

STATUTORY AUDITORS : M/S SRB & ASSOCIATES
CHARTERED ACCOUNTANT
5TH FLOOR, IDCO TOWER,
BHUBANESWAR-751007

SECRETARIAL AUDITOR : M/S. SAROJ RAY & ASSOCIATES
COMPANY SECRETARIES
737/10, JAYADEV VIHAR,
BHUBANESWAR-751013

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BANKER : AXIS BANK LIMITED.

SHARE TRANSFER AGENT : M/S NICHE TECHNOLOGIES PRIVATE LIMITED.
D-511, BAGREE MARKET, 5TH FLOOR,
71 BRB BASU ROAD, KOLOKTA-700021.

REGISTERED OFFICE : DINALIPI BHAWAN
A-54/1 & A-55/1, NAYAPALLI,
BARAMUNDA, BHUBANESWAR,
ORISSA – 751 003, INDIA

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of the Company will be held on Wednesday, 26th September 2008 at 11.00 a.m. at Dinalipi Bhawan, A-54/1 & A-55/1, Nayapalli, Bhubaneswar, Orissa-751003, the Registered Office of the Company, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit & Loss Account of the Company for the year ended 31st March 2008 and the Balance Sheet as at that date together with the reports of the Directors and the Auditors thereon.
2. To declare dividend on equity shares, if any.
3. To appoint a Director in the place of Mrs. Annapurna Dash, who retires by rotation and eligible for re-appointment.
4. To appoint Auditors of the Company to hold office from the conclusion of the this Annual General Meeting till the conclusion of the next Annual General Meeting and to authorize the Board of Directors of the Company to fix their remuneration. M/s. SRB& Associates, Chartered Accountants, the retiring Auditors, are eligible for reappointment.

SPECIAL BUSINESS

5. **Sale of Land and Building situated at Kuruda, Balasore**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Ordinary Resolution:

"Resolved that, pursuant to section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to deal, negotiate and dispose of the Land and Building situated at Kuruda, Balasore, District and for that purpose to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other instrument that may be considered necessary, usual or proper for the sale or otherwise disposing of the land and building which according to the Directors may be considered beneficial and convenient for the company."

6. **Sale, lease or mortgage of land at Narendrapur, and Karanjmal, Dhamara, Bhadrak for Development of Special Economic Zone (SEZ), Hotel, Service Apartment, Residential Colony and other real estate oriented activities**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Ordinary Resolution:

"Resolved that, pursuant to section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby authorized to deal, negotiate, lease, mortgage and sale of the Land situated at Narendrapur, and Karanjmal, Dhamara, Bhadrak for Development of Special Economic Zone (SEZ), Service Sector, Social Sectors Business, Hotels, Service Apartments, School, Colleges and Residential Building with different persons like individuals, firm & companies and for that purpose to sign, seal and deliver such instruments, assignments, contracts, deeds, conveyances or any other instrument that may be considered necessary, usual or proper for the sale or otherwise disposing of the land which according to the Directors may be considered beneficial and convenient for the company."

7. **Delisting of Equity Shares from The Calcutta Stock Exchange Association Limited, The Bhubaneswar Stock Exchange Limited, Delhi Stock Exchange Association Limited and The Ahmedabad Stock Exchange Association Limited**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force) Securities Contracts (Regulation) Act, 1956, and the rules framed there under, Listing Agreements, and all other applicable laws, approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed, or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof for the time being, exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from The Calcutta Stock Exchange Association Limited, The Bhubaneswar Stock Exchange Limited, Delhi Stock Exchange Association Limited and The Ahmedabad Stock Exchange Association Limited."

By Order of the Board of Directors

Bhubaneswar
28.08. 2008
Registered Office:
Dinalipi Bhawan
A-54/1 & A-55/1, Nayapalli
Bhubaneswar -751013

Mr. Amarendra Dash
Chairman & Managing Director

- a) The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of item No.7 and 8 and the relevant details in respect of item No.3, 4, 5 and 8 above, pursuant to clause 49 of the Listing Agreement are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- c) Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.
- d) The Instrument appointing a proxy should however, be deposited at the registered Office of the Company not less than 48 hours before the commencement of the meeting.
- e) Members are requested to notify immediately, change in their addresses, pin, code, e-mail addresses and telephone number(s) if any, to the Company at its Registered Office by quoting their folio numbers. In respect of shares held in electronic mode, the same should be communicated to the respective Depository Participant (DP).
- f) As per the provisions of the Companies, Act, 1956, facility for making nominations is available to the shareholders in respect of shares held by them in physical mode. Nomination forms can be obtained from the Registers of the Company. Those who are holding shares in electronic mode should give relevant details in this matter to their respective Depository Participant (DP).
- g) Members of the Company who have multiple accounts in identical names or joint accounts in the same name are requested to send all the share certificates to the registrar & **Share Transfer Agent, M/s. Niche Technologies Pvt. Ltd.** or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.
- h) All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar and Share Transfer Agent, M/s. Niche Technologies Private Limited, D-511, Bagree Market, 5th Floor, 71 BRB Basu Road, Kolkata-700001.
- i) The Register of Members and Share Transfer Books of the Company will remain closed from **Monday, 22nd September 2008 to Friday, 26th September 2008, both days inclusive.**
- j) Shareholders desiring any information as regards accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- k) Members who still have their holdings in physical form are requested to convert them into dematerialized form (**under ISIN No. INE 565E01016**) at the earliest.

By Order of the Board of Directors

Bhubaneswar
28.08. 2008

Mr.Amarendra Dash
Chairman & Managing Director

Registered Office:

Dinalipi Bhawan
A-54/1 & A-55/1, Nayapalli
Bhubaneswar -751013

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACTS, 1956**Item No.5**

Company has borrowed from different Banks and Financial Institutions like State bank of India and Industrial Development Bank of India tune of Rs.20.00 crores. Under the One time Settlement Scheme (OTS), the amount was fixed to Rs.374.00 lakhs and the same amount paid in the month of March 2008. For payment of above amount company has taken unsecured loans from different company and individuals. Since at present the company has no business activity, so Board of Directors decided to sale the land and building situated at unit Kuruda, Balasore that was closed last 10 years and from this sale amounts the unsecured loan to be repaid.

Expect as shareholders of the Company, none of the Directors are interested in any manner, in the Resolution under Item No.5 of the Notice.

Your Directors recommend the Ordinary Resolution for approval of members.

Item No.6

The Board of Directors decided to setup a Special Economic Zone (SEZ) at Dhamara in Bhadrak District. As per Government of India guidelines the network of the company minimum Rs.60.00 crores for development of SEZ. Since company network is very low, the Board of Directors of your company decided to make agreement with another company and jointly make application. For that company negotiate, lease, mortgage and sale of the Land situated at Narendrapur, and Karanjmal, Dhamara, Bhadrak.

Expect as shareholders of the Company, none of the Directors are interested in any manner, in the Resolution under Item No.6 of the Notice.

Your Directors recommend the Ordinary Resolution for approval of members.

Item No.7

Presently, the Company's securities are listed at the following five Stock Exchanges in India –

- i) Bombay Stock Exchange Limited, Mumbai (BSE);
- ii) The Calcutta Stock Exchange Association Limited, Kolkata (CSE).
- iii) The Bhubaneswar Stock Exchange Limited,
- iv) Delhi Stock Exchange Association Limited and
- v) The Ahmedabad Stock Exchange Association Limited.”

Trading in Equity Shares of the Company is permitted only in Dematerialised form w.e.f. 26 December 2000 as per notification issued by the Securities and Exchange Board of India (SEBI)

With the extensive networking of BSE and the extension of BSE terminals to other cities as well, investors have access to online dealings in the Company's securities across the country. The bulk of the trading in the Company's equity shares in any case takes place on the BSE and the depth and liquidity of trading in the Company's securities in other exchanges are negligible. It is also observed that the trading volumes and liquidity are negligible compared to BSE.

As a part of cost reduction measures, the Company has proposed this resolution, which will enable it to delist its equity shares from The Calcutta Stock Exchange Association Limited, The Bhubaneswar Stock Exchange Limited, Delhi Stock Exchange Association Limited and The Ahmedabad Stock Exchange Association Limited at an appropriate time in the future. In line with the SEBI (Delisting of Securities) Guidelines, 2003, members' approval is sought by way of a Special Resolution for enabling voluntary delisting of the Company's securities from above stock exchanges.

The proposed delisting of the Company's Securities from different regional exchanges, as and when it takes place, will not adversely affect the investors. The Company's securities will continue to be listed on BSE. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on which delisting will take effect will be suitable notified for information of the investors.

Expect as shareholders of the Company, none of the Directors are interested in any manner, in the Resolution under Item No.6 of the Notice.

Your Directors recommend the Special Resolution for approval of members.

By Order of the Board of Directors

Bhubaneswar
28.08. 2008

Mr.Amarendra Dash
Chairman & Managing Director

Registered Office:

Dinalipi Bhawan
A-54/1 & A-55/1, Nayapalli
Bhubaneswar -751013

DIRECTORS' REPORT*To The Members*

Your Directors are presenting the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2008.

FINANCIAL RESULTS*(Rupees in Lacs)*

	2007-2008	2006-2007
a) Sales - Export	-	-
- Others	-	147.84
b) Other Income	1904.25	2.79
c) Profit before Interest and Depreciation	1898.14	13.03
d) Interest	0.00	0.35
e) Cash Surplus (c-d)	1898.14	12.68
f) Depreciation	38.29	43.97
g) Profit/(Loss) Before Tax	1858.85	(31.30)
h) Provision for Tax	-	-
i) Profit/(Loss) After Tax	1858.85	(31.30)
j) Transaction relating to earlier years	-	-
k) Balance Profit/(Loss) from prior year	(270.66)	(267.53)
l) Profit/(Loss) available for appropriation	(847.80)	(270.66)
m) Proposed Dividend	-	-
n) Transfer to General Reserve	-	-
o) Surplus in Profit & Loss Account	(847.80)	(270.66)

DIVIDEND

Your Directors do not recommended any dividend for the year.

REVIEW OF OPERATIONS AND FUTURE PROSPECTS

As you are aware that BIFR vide its order dtd.29.07.2000 has declared the Company a 'Sick Company' under Sick Industrial Companies (Special Provision) Act, 1985. BIFR vide its order dtd.13.06.2003 has recommended for winding up of the Company. Based on this order the Company has suspended its operations for the time being. During the end of this financial year, 2008 accumulated losses has not exceeded its entire net worth for which the Company is making necessary arrangements to restore the status as not a sick industrial company within the meaning of Sick Industrial Companies (Special Provision Act 1985. During the year the company had approached IDBI & SBI for one time settlement (OTS) of their entire liabilities as per books of account of the Company including interest, penal interest etc. Both banks has agreed with the proposals of our company and also company has paid all the debts of banks by one time settlement scheme. In the mean period company takes initiatives to start its operation and within a short span of time all activities of the company are going to be implemented and the management hope to continue the company in a profitable manner. In the mean time company also ceased from sick company as per BIFR order dated 22.07.2008.

DEPOSITS

The Company has not accepted any deposits from public so far.

DIRECTORS

During the year Mr Amarendra Dash is continuing as Chairman & Managing Director and Ms Annapurna Dash, Mr Ajay Kumar Dash and Mr Bata Krishna Tripathy are continuing as Directors of the Company. Pursuant to provisions of Section 256 of the Companies Act 1956, Ms Annapurna Dash retires by rotation at the ensuing Annual General Meeting and being eligible offer for reappointment.

AUDITOR'S OBSERVATION

During the financial year 2007-08 there is no audit qualification in the Company's financial statements. The Company will continue to adopt best practices to ensure the regime of unqualified financial statements.

AUDITORS

M/s SRB & ASSOCIATES, Chartered Accountants, Bhubaneswar retires at the ensuing Annual General Meeting and have given their consent for re-appointment. The Company has received a certificate from them to the effect that appointment if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2008 and of the loss of your Company for the year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of this Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis;

TECHNOLOGY ABSORPTION, ENERGY CONSERVATION, FOREIGN EXCHANGE EARNING AND OUTGO

As Company is not in operation, so Technology absorption, Energy Conservations, foreign exchange earnings are taken as NIL.

PERSONNEL

None of the employees of the Company has been in receipt of remuneration exceeding the amounts envisaged by section 217(2A) of the Companies, Act, 1956.

DISCLOSURE AS PER LISTING AGREEMENT:**CASH FLOW:**

The cash flow statement in accordance with accounting standard and cash flow statement (AS-3) issued by ICAI is appended to this Annual Report.

RELATED PARTY TRANSACTIONS:

There was no transition with any related party during the year under audit.

LISTING:

The Company's shares are listed on the Bombay Stock Exchange Limited, Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Association Limited, Bhubaneswar Stock Exchange Limited, and The Delhi Stock Exchange Association Limited. During the year company has paid the listing fees of Bombay Stock Exchange Limited and taking necessary steps for revocation of suspension of trading. As a part of cost reduction measure company has proposed delisting of company shares from Ahmedabad Stock Exchange Limited, The Calcutta Stock Exchange Association Limited, Bhubaneswar Stock Exchange Limited, and The Delhi Stock Exchange Association Limited.

CORPORATE GOVERNANCE:

The Company has complied with all mandatory provisions of Corporate Governance as prescribed under clause 49 of the Listing Agreement. A report on Corporate Governance is annexed in "Annexure -A" to the report, along with the certificate on its compliance from the Auditors forms part of this report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT:

Management Discussion & Analysis report is placed at "Annexure -B" to this report.

INDUSTRIAL RELATIONS:

Your Company has had harmonious industrial relations throughout the year under review at all levels of the organization, and would endeavor to maintain this cordial relationship.

ACKNOWLEDGEMENTS:

Your Directors wish to express their grateful appreciation for the assistance and co-operation received from State Bank of India and IDBI Bank Limited.

Cordial relations prevailed during the year with the employees at all levels. Your Directors wish to place on record their deep sense of appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees had enabled the Company to maintain in the industry in spite of increased competition.

Your Directors also wish to express their gratitude to investors for the continued faith reposed by them in the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE:

DATE :

AMARENDRA DASH
CHAIRMAN



ANNEXURE "A" TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE**1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Your Company believes that good corporate governance is a key driver of sustainable growth and long-term value creation for all stakeholders. Your Company, therefore is committed to the highest standards of corporate governance follows the basic tenets of integrity, transparency, accountability and responsibility in all its activities and puts in place system of good Corporate Governance. Best results are achieved when the companies begin to treat the Corporate Governance systems not as a mere structure but as a way of corporate life.

2) BOARD OF DIRECTORS:

A fundamental requirement of Board membership is independence, knowledge and experience based upon the absence of relationships and interest that could compromise, or could be perceived as compromising the ability of a Director to exercise judgment in the best interests of the Company.

2.1 Composition

The Board of Directors of the Company comprised of four directors viz. Chairman & Managing Director (Executive Chairman) and three non-executive directors as on 31.03.2008. In terms of Clause 49 of the listing Agreement with the Stock Exchanges, at least half of the Board should comprise of independent directors. Two out of three non-executive directors, being the part-time official directors on the Board are not independent directors in terms of Clause 49 of Listing Agreement. The company has taking necessary steps for appointment of required number of independent directors to bring the composition of the Board in line with the requirements of the cited clause. The Board is classified broadly as follows:

Sl. No	Name of the Director	Status	Category
1.	Mr. Amarendra Dash	Chairman & Managing Director	Promoter and Executive Director
2.	Ms Annapurna Dash	Director	Non Executive & non- independent Director
3.	Mr Ajay Kumar Dash	Director	Non Executive & non- independent Director
4.	Mr Bata Krishan Tripathy	Director	Non Executive & independent Director

Board's Definition of Independent Director :

Independent Director's shall mean Non-executive director of the company who:

- apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its senior management or its holding company, its subsidiaries and associated companies;
- is not related to Promoters, Chairman, Managing director, whole time Director, Secretary, CEO or CFO and of any person in the management at one level below the board;
- has not been an executive of the Company in the immediately preceding three financial years;
- is not a partner or an executive of the statutory audit firm or the internal audit firm that is associated with the company and has not been a partner or an executive of any such firm for the last three years. This will also apply to legal firm(s) and consulting firm(s) that have a material association with the entity;
- is not a supplier, service provider or customers of the company. This should include lessor-lessee type relationships also; and
- is not a substantial shareholders of the company i.e. owning two percent or more of the block of voting shares.

Code of Conduct:

The Company has adopted Code of Conduct for all Directors, Senior Management and employees of the Company. This Code is derived from three interlinked fundamental principle, viz good corporate governance, good corporate citizenship and exemplary personal conduct. Further, all the Board members and senior management personnel (as per Clause 49 of the Listing agreement) have affirmed compliance with the respective Code of Conduct.