# Annual Report
# 2008-2009

SURYA

*Surya Foods & Industries Limited*

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20th Annual General Meeting
On Thursday, the 24th day of September, 2009 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*<br>MS. ANNAPURNA DASH, DIRECTOR<br>MR. AJAY KUMAR DASH, DIRECTOR<br>MR. BATA KRISHNA TRIPATHY, DIRECTOR |
| **STATUTORY AUDITORS** | : | M/S SRB & ASSOCIATES<br>CHARTERED ACCOUNTANT<br>5TH FLOOR, IDCO TOWER,<br>BHUBANESWAR-751007 |
| **SECRETARIAL AUDITOR** | : | M/S. SAROJ RAY & ASSOCIATES<br>COMPANY SECRETARIES<br>737/10, JAYADEV VIHAR,<br>BHUBANESWAR-751013 |
| **BANKER** | : | AXIS BANK LIMITED. |
| **SHARE TRANSFER AGENT** | : | M/S NICHE TECHNOLOGIES PRIVATE LIMITED.<br>D-511, BAGREE MARKET, 5TH FLOOR,<br>71 BRB BASU ROAD, KOLOKTA-700021.<br>PHONE : 2235-7270/7271/3070, 2234-3576<br>FAX : 2215-6823 |
| **REGISTERED OFFICE** | : | DINALIPI BHAWAN<br>A-54/1 & A-55/1,NAYAPALLI,<br>BARAMUNDA, BHUBANESWAR,<br>ORISSA – 751 003, INDIA |

# NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of the Company will be held on Wednesday, **24th September 2009** 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 2009 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 Mr. Ajaya Kumar 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.

By Order of the Board of Directors

Bhubaneswar
28.08. 2009

Mr.Amarendra Dash
Chairman & Managing Director

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

a) 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.

b) Members/ Proxies should bring the Attendance Slip duly filled in for attending the meeting.

c) 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.

d) 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).

e) 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, Kolokta-700001.

i) The Register of Members and Share Transfer Books of the Company will remain closed form **Monday, 21st September 2009 to Thursday, 24th 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. 2009

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 2009.

**FINANCIAL RESULTS**

*(Rupees in Lacs)*

| | | 2008-2009 | 2007-2008 |
|---|---|---|---|
| a) | Sales - Export | - | - |
| | - Others | | - |
| b) | Other Income | 1.22 | 1904.25 |
| c) | Profit before Interest and Depreciation | (156.00) | 1898.14 |
| d) | Interest | 0.00 | 0.00 |
| e) | Cash Surplus (c-d) | (156.00) | 1898.14 |
| f) | Depreciation | 8.13 | 38.29 |
| g) | Profit/(Loss) Before Tax | (164.13) | 1858.85 |
| h) | Provision for Tax | - | - |
| i) | Profit/(Loss) After Tax | (164.13) | 1858.85 |
| j) | Transaction relating to earlier years | - | - |
| k) | Balance Profit/(Loss) from prior year | (847.80) | (270.66) |
| l) | Profit/(Loss) available for appropriation | (1011.93) | (847.80) |
| m | Proposed Dividend | - | - |
| n) | Transfer to General Reserve | - | - |
| o) | Surplus in Profit & Loss Account | (1011.93) | (847.80) |

**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. But in this financial year the Company has withdraw itself from the BIFR scheme. In this financial year the copany has started construction and real estate business in its vacant land situated at Dhamara, in Bhadrak district, Orissa, in first phase Company has negotiated with M/s. The Dhamara Port Company Limited, for construction of houses for employees & workers.

**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 2008-09 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, FOREGIN 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 : **Bhubaneswar**
DATE : **28.08.2009**

**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 31.03.2009. 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:

a) 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;

b) 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;

c) has not been an executive of the Company in the immediately preceding three financial years;

d) 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;

e) is not a supplier, service provider or customers of the company. This should include lessor-lessee type relationships also; and

f) 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.

**Board Meetings & Procedures:**

The Board meets in executive session at least four times in a year at quarterly intervals and more frequently if deemed necessary, to transact its business. The Company Secretary, in consultation with the Chairman and Managing Director, will prepare the agenda for the meeting. Information and data that are important to the Board's understanding of the business in general and relating to matters tabled for discussion. The Agenda and relevant enclosures are distributed to the members of the Board sufficiently in advance of the meeting. Sensitive material, however, is presented for discussion at the meeting only. The meetings of the Board of Directors are generally held at Company's Registered office at Bhubaneswar, and are generally scheduled well in advance.

**2.2 Numbers & Dates of Board Meetings held during the year.**

(i) During 2008-09, the Board of Directors met 8 times on the following dates:

| Sl.No | Date of Board Meeting | Total Members | Attendance by number of members |
|---|---|---|---|
| 1. | 14th May 2008 | 4 | 4 |
| 2. | 25th June 2008 | 4 | 4 |
| 3. | 30th June 2008 | 4 | 4 |
| 4. | 7th July 2008 | 4 | 4 |
| 5. | 31st July 2008 | 4 | 4 |
| 6. | 28th August 2008 | 4 | 4 |
| 7 | 30th October 2008 | 4 | 4 |
| 8 | 30th January 2009 | 4 | 4 |

(ii) The details of attendance of each Director at the Board Meetings, last Annual General Meeting and number of other Directorships and Chairman/Memberships of Committee are as follows.

| Name of the Director | Attendance Particulars | | | Directorship in other Companies |
|---|---|---|---|---|
| | No of Board Meetings held | No of Board Meetings attended | Last AGM | |
| Mr. Amarendra Dash | 8 | 8 | Present | 8 |
| Ms Annapurna Dash | 8 | 8 | Present | 7 |
| Mr Ajay Kumar Dash | 8 | 8 | Present | 3 |
| Mr Bata Krishan Tripathy | 8 | 8 | Present | 1 |

**3) COMMITTEE OF BOARD**

The Board has constituted various committees for smooth and efficient operation of the activities and is responsible for constituting, assigning, co-opting and fixing the term of reference of the committees in line with the laws of land. The draft minutes of the proceedings of each committee meeting duly initialed by the Chairman of the respective committee meeting are circulated to the members of that committee for their comments and thereafter, confirmed by the respective committee in its next meeting. The Board also takes note of the minutes of the meetings of the committees duly approved by their respective Chairman and material recommendations/decisions of the committees are placed before the Board for approval. The Board has approved the chairman, quorum and the terms of reference of each committee.

**a) AUDIT COMMITTEE**

The Primary objective of the Audit Committee of the company is to monitor and provide effective supervisions of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Audit Committee met 4 times during the year 2008-09.

The composition and attendance of the committee are given below:

**Composition :**

| Name of Director | Designation | Status |
|---|---|---|
| Mr. Bata Krishan Tripathy | Chairman | Independent and Non- executive Director |
| Ms. Annapurna Dash | Member | Non- Independent and Non- executive Director |
| Mr. Ajay Kumar Dash | Member | Non -Independent and Non- executive Director |

**Attendance :**

| Sl. No. | Date of Meeting | Total Members | Attendance by Members |
|---|---|---|---|
| 1. | 30th June 2008 | 3 | 3 |
| 2. | 31st July 2008 | 3 | 3 |
| 3. | 30th October 2008 | 3 | 3 |
| 4. | 30th January 2009 | 3 | 3 |

**b) REMUNERATION COMMITTEE:**

The purpose of the Remuneration committee of the company shall be to discharge the Board's responsibilities relating to remuneration of the Company's Executive Directors. The committee has overall responsibility for approving, evaluating and recommending plans, policies and programs relating to remuneration of Executive Directors of the Company.

The Committee consists of majority of Independent Directors and Non- executive Director and has not met one time during the year ended 31st March 2008 and the composition of the Committee is given below:

| Name of Director | Designation | Status |
|---|---|---|
| Mr. Bata Krishan Tripathy | Chairman | Independent and Non- executive Director |
| Ms. Annapurna Dash | Member | Non- Independent and Non- executive Director |
| Mr. Ajay Kumar Dash | Member | Non -Independent and Non- executive Director |

**REMUNERATION TO DIRECTORS**

Though the Company has no operation and in a sick Position so the Company has not paid any remuneration and sitting fees to the Directors.

**(c) SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE:**

The "Share Transfer and Investor Grievance Committee" comprising 2 Non- Executive Directors and one Independent & Non-Executive Director headed the committee of the company. The functioning and terms of reference of the Committee, inter-allia, approves issue of duplicate certificates, observes and reviews all matters connected with securities transfers. The Committee also looks into redressing of investor's grievance pertaining to transfer/ transmission of shares, dividends, dematerialization/rematerialization, replacement of lost/stolen/mutilated share certificates, splitting, conversion and other related issues and to strengthen investor relation, complaints like non-transfer of shares, non-receipt of declared dividends, etc.

During the year the committee has met 24 times for consideration of share transfers, issue of duplicate shares, rematerialization of shares and other investors grievances. The constitution of the Committee and the attendance of each member of the Committee are given below:

| Name of Director | Designation | Status | Committee Meetings Attended |
|---|---|---|---|
| Mr. Bata Krishan Tripathy | Chairman | Independent and Non-Executive Director | 12 |
| Ms. Annapurna Dash | Member | Non-Independent and Non- Executive | 12 |
| Mr. Ajay Kumar Dash | Member | Non-Independent and Non- Executive | 12 |

**Statutory Auditors: -**

**M/s SRB & Associates,** Bhubaneswar have been appointed as Statutory Auditors of the Company for the financial year 2007-08. The remuneration paid to the Statutory Auditor fixed by the Board on the recommendation by the Audit Committee is given below

| Fee for | Remuneration (Rs) | Remarks |
|---|---|---|
| Statutory Audit for the Year 2008-09 | 22,060 | Reimbursement of traveling and out of pocket Expenses. |

**4) GENERAL BODY MEETINGS**

Details of location and time of last 3 years Annual General Meetings are as under:

**Annual General Meeting:**

| Financial Year | Venue | Date | Day | Special Resolution passed |
|---|---|---|---|---|
| 2005-2006 | At Registered office of the Company. | 30.09.2006 | Saturday | None |
| 2006-2007 | At Registered office of the Company | 29.09.2007 | Saturday | None |
| 2007-2008 | At Registered office of the Company | 26.09.2008 | Friday | None |

**Extra-ordinary General Meeting :**

There is no extra Extraordinary General meeting held during the year ended 31st March 2009.

5) **DISCLOSURES:**

***Disclosure regarding materially significant related party transactions:***

- There is no materially significant related party transactions made by the Company with its promoters, Directors or the management, their relatives conflicting with company's interests.
- **Disclosure of non-compliance by the company:**
- No penalty or strictures have been imposed on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

***Disclosures regarding appointment/re-appointment of Directors:***

- Pursuant to the Article of Association of the company, Ms Annapurna Dash Director of the company, shall retire and, being eligible, re- appointment as director

6) ***Non-mandatory Requirements:***

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to corporate Governance.

- The company has setup a remuneration Committee pursuant to Clause 49 of the listing Agreement.
- *During the financial year 2008-2009 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.*

## 7) MEANS OF COMMUNICATION

From current financial year audited and unaudited Financial Results are published in English newspapers and local Oriya daily newspapers.

## 8) GENERAL SHAREHOLDERS INFORMATION

**Annual General Meeting:**

The 20th Annual General Meeting (" the AGM") of the company will be held on Thurs the 24th day of September of 2009 at 11.00 A.M. at Registered office of the Company.

Financial Calendar for the year 2008-09:

The Company follows1st April to 31st March as its financial year.

**Dates of Book Closure:**

The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 21st Sept 2009 to Thursday the 24th Sept 2009 (both days inclusive) for purpose of Annual General Meeting for the year.

**Listing on Stock Exchanges:**

The Company's shares are presently listed at:

| The Bombay Stock Exchange Limited | The Bhubaneswar Stock Exchange Limited | The Calcutta Stock Exchange Association Limited | Delhi Stock Exchange Association Limited | Ahmedabad Stock Exchange Association Limited |
|---|---|---|---|---|
| Floor 25, P J Towers, Dalal Street, Mumbai 400001. | 6th Floor, IDCO Tower, Janapath Bhubaneswar-751022 | 7, Lyons Range Calcutta - 700001 | DSE HOUSE 3/1 ASAF ALI ROAD New Delhi - 2 | Kamadhenu Complex Opp. Sahajanand College, Panjorepole Ahmedabad - 15 |

**Note:**
Due to financial constraints, the Annual listing fees for the Financial year 2008-09 paid only for the Bombay Stock Exchange Limited and for other exchanges have not paid.

**Company Stock code:**
The Mumbai Stock Exchange Scrip Code ' 519604'.
The ISIN Number of the company in CDSL is **INE565E01016**

**Stock Market Data:**
As Company shares are not traded so there is no such Stock Market Data to be mentioned in this Report.

**CIN Number:**
The Corporate Identity Number ("CIN") of the company, as allotted by Ministry of Corporate Affairs is **L05004OR1989PLC002264**

**Registrar and Share Transfer Agents:**
All share transfer and related operations are conducted by the Registrar and Share transfer Agent of the company both in physical and dematerialized form that is:
M/s. Niche Technologies Private Limited,
D-511, Bagree Market, 5th Floor, 71 BRB Basu Road,
Kolkata-700001.

**Share transfer systems:**
Transfer of Securities in physical form are registered and duly transferred share certificates are dispatched within 30 days of receipt, provided the documents are in order. With regard to Shares in demat mode, the procedure is adopted as per the provisions of Depositories Act, 1996. The Shareholders are advised to contact the Registrar and Share Transfer Agents at their address for effecting transfer of shares both in physical and electronic form.

**Shares held in physical and dematerialized form:**
As on 31st March 2009, 1.042 % of shares of the company were held in dematerialized form and the rest in physical form. Out of this dematerialized shares, promoter and their associates own NIL% and non-promoters held 1.042 % of these Shares.

**Shareholding Pattern as on 31st March, 2009:**

| Category | No of Shares | % of Shares Capital |
|---|---|---|
| Indian Promoters | 20,14,680 | 50.876 |
| Private Corporate Bodies | 1,89,800 | 4.793 |
| Indian Public | 15,36,720 | 38.806 |
| NRIs | NIL | NIL |
| **OTHERS** | **2,18,800** | **5.525** |
| **Total** | **39,60,000** | **100** |

**GDRs/ADRs/Warrants:**

The Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

**Details of Shareholdings of 1% or more as on 31st March, 2009:**

| Name of Shareholders | No of Shares held | % of Shareholding |
|---|---|---|
| SURYO FINANCIAL SERVICES LIMITED | 693300 | 17.508 |
| SURYO INVESTMENTS & TRANSPORT LIMITED | 607200 | 15.333 |
| SURYO UDYOG LIMITED | 550280 | 14.527 |
| AMARENDRA DASH | 88900 | 2.245 |
| H.S.SANDHU | 50000 | 1.263 |
| CREDIT CAPITAL INVESTMENT TRUST CO.LIMITED | 77700 | 1.962 |
| INDUSTRIAL INVESTMENT BANK OF INDIA LIMITED | 50000 | 1.263 |
| P N B PRINCIPAL TRUSTEE | 81000 | 2.045 |
| PRIMCO FINANCIAL SERVICES (P) LIMITED | 100000 | 2.525 |
| ISHAN MOHAN | 100000 | 2.525 |
| TANI S BHARGAV | 100000 | 2.525 |

**Address for Correspondence :**
Any query relating to shares and requests for transactions such as transfer, transmission and nomination facilities, duplicate share certificates, change of address, non-receipt dividend/ Annual Repot, as also regarding dematerialisation of shares may please taken up with.

Mr. Amarendra Dash
Managing Director
At/Po Dinalipi Bhawan
Plot No A -54/1 and A -55/1 Nayapalli
P.O: Baramunda, Bhubaneswar, Orissa-751003
Ph.No –0674-2564770
Fax No – 0674-2562083
Email: surya_bbs@hotmail.com

## DECLARATION

I, Amarendra Dash ,Chairman & Managing Director of M/s. Suryo Foods & Industries Limited, hereby declare that all the members of the board of Directors and the Senior Management personnel have affirmed compliance with the code of conduct, for the year ended 31st March, 2009.

FOR AND ON BEHALF OF THE BOARD

Sd/-
Amarendra Dash
CHAIRMAN

PLACE : BHUBANESWAR
DATE: 28.08.2009

## CEO AND CFO CERTIFICATION

I, Amarendra Dash, Managing Director of the company certify that:

a) I have reviewed the financial statements and cash flow statement for the year ended 31st March, 2009 and to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b) To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2009 are fraudulent, illegal or violative of the company's code of conduct.

c) I accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of internal control systems of the company pertaining to financial reporting. Deficiencies in the designs or operation of such internal controls, if any of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

   ii) There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and

   iii) I have not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place : Bhubaneswar
Date : 28.08.2009

Sd/-
Amarendra Dash
Managing Director

## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To
The Members,
Suryo Foods & Industries Limited.

We have examined the compliance of conditions of Corporate Governance by Súryo Foods & Industries Limited for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For SRB & ASSOCIATES,**
**CHARTERED ACCOUNTANTS**

**Bhubaneswar**
**Date: 28.08.2009**

**S. C. BHADRA, F.C.A.**
**Membership No. 17054**
**PARTNER.**

# ANNEXURE "B" TO DIRECTORS' REPORT

## MANAGEMENT DISCUSSION AND ANALYSIS

### Forward-Looking Statements:

Statements in this "Management's Discussion and Analysis" describing the Company's objective, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand supply conditions, changes in the government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour relations.

Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### Industry Structure and Developments:

The principal business of the company was processing of different types of prawns and related see fishes. But last ten years company has not done any business and declared as Sick Company by BIFR. During the financial year 2007-2008 under OTS Scheme Company settle all the dues of Bank and Financial Institutions by borrowing unsecured loans. Presently company is planning to develop a SEZ unit in Dhamara, Bhadrak District, for that negotiation with different companies is going on.

### Internal Control Systems And Their Adequacy:

The philosophy we have with regard to internal control systems and their adequacy has been formulation of effective systems and their strict implementation to ensure that assets and interest of the company are safeguarded, checks and balances are in place to determine the accuracy and reliability of accounting data.

The Internal Audit, an independent appraisal function to examine and evaluate the adequacy and effectiveness of the internal controls system, appraises periodically about activities and audit findings to the audit committee, statutory auditors and the top management.

Internal Audit ensures that systems are designed and implemented with adequate internal controls commensurate with the size and operations; transactions are executed and assets are safeguarded and deployed in accordance with the policies; existence of adequacy of internal controls in all existing policies and procedures.

The Audit Committee of the board consisting of 3 members majority of the members are independent and non-executives directors. It investigates any matter relating to the internal control systems and reviews the Internal Audit. The Committee also reviews the quarterly and half- yearly financial report before they are submitted to the Board of Directors.

### Human Resources

Your Company's industrial relations continued to be harmonious during the year under review. This year company could able to achieve an excellent performance due to continuous efforts taken by the employees at every stage of operation and maintenance by introduction of modern techniques and integration of efforts. Every area of work is taken care of with standard operating procedures, checklists, inspection schedules, and other related studies. As on 31st March, 2009 the employee strength of your company currently is more than hundred.

### Conclusion

The performance of the company is very poor since so many years due to heavy financial burden. Company is planning to diversify the business activity and enhance the return of shareholders in the coming years.

# AUDITORS' REPORT

*To the Members of* ***SURYO FOODS & INDUSTRIES LIMITED***

1. We have audited the attached Balance Sheet of M/s. SURYO FOODS & INDUSTRIES as at 31st March, 2009 and the Profit and Loss Account and the Cash Flow statement of the year ended on the date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003, (as amendment) issued by the Central Government in terms of Sec. 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.

4. Further to our comments in the Annexure reffered to in Paragraph 3 above, we state that :

   a) We have obtained all the information and explanations, which to be best of our knowledge and belief were necessay for the purpose of our audit.

   b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of such books.

   c) The Balance Sheet and the Profit & Loss Account referred to in this report are in agreement with the books of accounts.

   d) On the basis of written representation received from the directors, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31.03.2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

   e) In our opinion, Balance Sheet, Profit and Loss Account and Cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.

   f) Subject to the matter reported in para (f), (g), (h) & (i) above, in our opinion and to the best of our information and according to the explanations given to us, the said Accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India.

      i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2009 and;

      ii) In the case of the Profit & Loss Account of the **"loss"** of the Company for the year ended on that date.

      iii) In the case of Cash Flow statement of the Cash Flow for the year ended on that date.

**For SRB & ASSOCIATES,**
**CHARTERED ACCOUNTANTS**

Bhubaneswar
Date : 30.06.2009

**S.C.BHADRA, F.C.A.**
**PARTNER.**
**Membership No.17054**

# ANNEXURE TO THE AUDITORS' REPORT

**(REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE)**

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) According to the information and explanations furnished to us, the Company has not physically verified all its fixed assets during the year. However, the Company has adopted a phased programe of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed during the year on such verifications.

(c) Fixed assets has been disposed off during the year.

ii. As there is no inventory during the year this clause is not applicable.

iii. (a) The company has not granted any loans secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956. Accordingly sub-clause (b), (c) & (d) are not applicable.

Iv. In our opinion and according to the information given to us, there is adequate internal control procedure commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and sale of goods.

v. *The Company has not entered in to transactions, which require to be recorded in a register in pursuance of section 301 of the* Companies Act.

vi. The company has not accepted any deposits from the public.

vii. The Company has no internal audit system.

Viii. No Cost record u/s 209 (1) (d) of The Companies Act, 1956 have been prescribed by the Central Government for any of the products of the Company.

ix. a. According to information and explanation given to us the company is generally regular in depositing Employee's Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Entry Tax, Excise duty, Custom Duty, Cess and other statutory dues with the appropriate authority, except undisputed Sales Tax amount of Rs.12,36,004/- which is pending for payment for more than 6 months as on 31.03.2009.

x. According to the information and explanations furnished to us

a) the company has been incorporated for a period exceeding five years,

b) it has accumulated losses of Rs.10,11,93,779/- at the end of the financial year for which the net worth has been eroded and

c) It has incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.

Xi. Based on our examination of the records and the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.

Xii. In our opinion and according to the information and explanations given to us, the company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore clause 4(xiii) of the Companies (Auditor's Report) order 2003 (as amended) is not applicable to the Company.

Xiv. The Company is not dealing or trading in shares, securities, debentures and other investments

Xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

Xvi As the Company has not obtained any term loan, during the year this clause is not applicable.

Xvii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

Xvii. The Company has not issued Debentures during the year and hence requirement of reporting regarding creation of securities or charge in respect of debentures does not arise.

Xviii The Company has not raised any money by public issue during the year.

Xix. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For SRB & ASSOCIATES,
CHARTERED ACCOUNTANTS

Bhubaneswar
Date : 30.06.2009

S.C.BHADRA, F.C.A.
PARTNER.
Membership No.17054

# BALANCE SHEET
## AS AT 31ST MARCH, 2009

| PARTCULARS | Schedule No | AS AT 31.03.2009 Amount in Rupees | AS AT 31.03.2008 Amount in Rupees |
|---|---|---|---|
| **I. SOURCES OF FUNDS** | | | |
| **1. SHAREHOLDERS' FUNDS** | | | |
| a) Share Capital | 1 | 39,600,000 | 39,600,000 |
| b) Reserve & Surplus | 2 | 56,250,000 | 56,250,000 |
| **T O T A L ::** | | **95,850,000** | **95,850,000** |
| **III. APPLICATION OF FUNDS** | | | |
| **1. FIXED ASSETS** | 3 | | |
| a) Gross Block | | 90,962,696 | 158,160,469 |
| b) Less : Depreciation | | 67,419,569 | 111,893,530 |
| c) Net Block | | 23,543,127 | 46,266,939 |
| d) Capital Work-in-Progress | | - | 6,359,046 |
| | | **23,543,127** | **52,625,985** |
| **3. CURRENT ASSETS, LOANS AND ADVANCES** | 4 | | |
| a) Inventories | | | |
| b) Sundry Debtors | | 54,000 | - |
| c) Cash & Bank Balance | | 129,433 | 71,726 |
| d) Loans & Advances | | 3,249,319 | 4,378,547 |
| | | **3,432,752** | **4,450,273** |
| **LESS : CURRENT LIABILITIES AND PROVISIONS** | 5 | | |
| **a)** Liabilities | | 32,785,229 | 46,471,981 |
| | | 32,785,229 | 46,471,981 |
| **NET CURRENT ASSETS** | | **(29,352,477)** | **(42,021,708)** |
| **MISCELLANEOUS EXPENDITURE** (to the extent not written off or adjusted) | | 465,571 | 465,571 |
| **PROFIT & LOSS ACCOUNT** | | 101,193,779 | 84,780,152 |
| **T O T A L ::** | | **95,850,000** | **95,850,000** |
| | | - | - |

Schedule 1 to 5 and Notes in Schedule 8 form an integral part of this Balance Sheet.
As per our report of even date attached

**For SRB & Associates**
Chartered Accountants

**ON BEHALF OF THE BOARD**

**S.C. BHADRA, F.C.A.**
**Partner**
**Memb.No. 17054**

**AMARENDRA DASH**
**Manging Director**

**ANNAPURNA DASH**
**Director**

**Bhubaneswar**
**Date : 30.06.2009**

# PROFIT AND LOSS ACCOUNT
## FOR THE YEAR ENDED 31ST MARCH, 2009

| PARTCULARS | Schedule | For the year ended 31.03.2009 Amount in Rupees | For the year ended 31.03.2008 Amount in Rupees |
|---|---|---|---|
| **INCOME** | | | |
| OTS Income from Bank | | | 190,425,892 |
| Other Income | 6 | 122,810 | - |
| | | **122,810** | **190,425,892** |
| **EXPENDITURE** | | | |
| Manufacturing & Other Expenses | 7 | 1,013,475 | 711,428 |
| Net Loss of sale of Assets | | 14,709,338 | - |
| Depreciation | 3 | 813,095 | 3,829,060 |
| | | **16,535,908** | **4,540,488** |
| **PROFIT/(LOSS)BEFORE TAXATION** | | (16,413,098) | 185,885,404 |
| Provision for Taxtation | | - | - |
| Fringe Benefit Tax | | 529 | |
| **PROFIT/(LOSS)AFTER TAXTATION** | | (16,413,627) | 185,885,404 |
| Prior Period Adjustments | | - | - |
| | | (16,413,627) | 185,885,404 |
| Balance of profit(loss) from prior year | | (84,780,152) | (270,665,556) |
| Amount available for Appropriation | | (101,193,779) | (84,780,152) |
| **APPROPRIATION** | | - | - |
| Proposed Dividend | | - | - |
| (Subject to deduction of tax) | | - | - |
| Transfer to General Reserve | | - | - |
| Balance carried to Balance Sheet | | (101,193,779) | (84,780,152) |

Schedule 6 to 7 and Notes in Schedule 8 form an integral part of this Profit & Loss Account.

As per our report of even date.

**For SRB & Associates**
**Chartered Accountants**

**ON BEHALF OF THE BOARD**

**S.C. BHADRA, F.C.A.**
**Partner**
**Memb.No. 17054**

**AMARENDRA DASH**
**Manging Director**

**ANNAPURNA DASH**
**Director**

**Bhubaneswar**
**Date : 30.06.2009**

| | 31.03.2009 Rupees | 31.03.2008 Rupees |
|---|---|---|
| **SCHEDULE : 1 -** | | |
| **SHARE CAPITAL AUTHORISED** | | |
| 1,00,00,000 Equity Share of Rs.10/- each | 100,000,000 | 100,000,000 |
| **ISSUED, SUBSCRIBED AND PAID-UP** | | |
| 39,60,000 Equity Shares of Rs.10/- each fully paid-up | 39,600,000 | 39,600,000 |
| | **39,600,000** | **39,600,000** |

| | | |
|---|---|---|
| **SCHEDULE : 2 - RESERVES & SURPLUS** | | |
| 1 General Reserve | | |
| As per last Balance Sheet | | |
| Add: Transfer from Profit & Loss Account | 20,000,000 | 20,000,000 |
| 2 Share Premium Account | 35,600,000 | 35,600,000 |
| 3 Surplus in Profit & Loss Account | - | - |
| 4 Capital Subsidy | 650,000 | 650,000 |
| | **56,250,000** | **56,250,000** |

SCHEDULE - 3 : FIXED ASSETS

| | GROSS BLOCK | | | | DEPRECIATION | | | | |
|---|---|---|---|---|---|---|---|---|---|
| PARTICULARS | VALUE AT COST | ADDITIONS | SALE/TRNSFER/ | TOTAL AS | DEPRECIATION | DEPRECIATION | ADJUST | FOR THE YEAR | TOTAL UPTO |
| | AS ON 01.04.08 | | ADJUSTS | ON 31.03.2009 | UPTO 31.3.08 | UPTO 31.3.08 | ON DEPRN. | 2008-2009 | 31.03.09 |
| LAND | 14,895,066 | - | 3,445,868 | 11,449,198 | - | - | - | - | - |
| BUILDINGS | | | | | | | | | |
| FACTORY BUILDING | 42,736,727 | - | 24,137,420 | 18,599,307 | 28,398,688 | 14,434,537 | 13,964,151 | 208,238 | 14,642,775 |
| OFFICE BUILDING | 11,689,513 | - | 1,432,758 | 10,256,755 | 5,116,426 | 4,497,952 | 618,474 | 575,880 | 5,073,832 |
| PONDS & RESERVIOU | 33,209,540 | - | - | 33,209,540 | 32,167,780 | 32,167,780 | - | - | 32,167,780 |
| VEHICLES | 5,639,492 | - | - | 5,639,492 | 5,572,639 | 5,572,639 | - | - | 5,572,639 |
| PLANT & MACHINERY | 48,692,591 | - | 38,089,108 | 10,603,483 | 39,427,924 | 8,846,100 | 30,581,824 | - | 8,846,100 |
| COMPUTER | 568,635 | 66,075 | - | 634,710 | 567,881 | 567,881 | - | 20,124 | 588,005 |
| FURNITURE & FIXTU | 485,027 | - | - | 485,027 | 440,723 | 440,723 | - | 7,974 | 448,697 |
| OFFICE EQUIPMENT | 243,878 | 3,500 | 162,194 | 85,184 | 201,469 | 78,862 | 122,607 | 879 | 79,741 |
| **SUB - TOTAL** | **158,160,469** | **69,575** | **67,267,348** | **90,962,696** | **111,893,530** | **66,606,474** | **45,287,056** | **813,095** | **67,419,569** |
| CAPITAL (W.I.P) | 6,359,046 | | 6,359,046 | | - | - | - | - | - |
| **TOTAL** | **164,519,515** | **69,575** | **73,626,394** | **90,962,696** | **111,893,530** | **66,606,474** | **45,287,056** | **813,095** | **67,419,569** |
| PREVIOUS YEAR | 164,519,515 | | | 164,519,515 | 103,666,686 | 103,666,686 | | 4,397,784 | 108,064,470 |

**SCHEDULE : 4 - CURRENT ASSETS, LOANS AND ADVANCES**

| | | |
|---|---|---|
| **A) CURRENT ASSETS** | | |
| **i) Inventories** | | |
| **ii) Sundry Debtors (More than six month)** | **54,000** | - |
| | **54,000** | - |
| **iii) Cash & Bank Balances** | | |
| Cash balance on hand | 82,411 | 42,303 |
| Balance with Scheduled Banks in Current Account | 47,022 | 29,423 |
| | **129,433** | **71,726** |
| **B) LOANS & ADVANCES** (Unsecured,considered good unless otherwise stated) | | |
| i) Advance recoverable in cash or in kind or for value to be received | 2,286,669 | 3,415,897 |
| ii) Deposits with Customs, E.I.A. etc. | 962,650 | 962,650 |
| | **3,249,319** | **4,378,547** |
| | **3,432,752** | **4,450,273** |

**SCHEDULE : 5 - CURRENT LIABILITIES & PROVISIONS**

| | | |
|---|---|---|
| **A) Current Liabilities** | | |
| Advance Against Sale of land | 32,451,351 | 27,317,677 |
| Suppliers | - | 2,007,764 |
| Expenses | 333,878 | 337,866 |
| Other Liabilities | - | 16,808,674 |
| | **32,785,229** | **46,471,981** |

**SCHEDULE : 6 - OTHER INCOME**

| | | |
|---|---|---|
| Misc.Income | 122,810 | - |
| | **122,810** | - |

**SCHEDULE : 7 - MANUFACTURING & OTHER EXPENSES**

| | | |
|---|---|---|
| Salary & Other Allowances | 203,867 | - |
| Repairs and Maintenance(Materials) | 32,387 | 79,245 |
| Rent, Rates and Taxes | 249,206 | 8,912 |
| Printing & Stationary | 13,328 | 14,905 |
| Audit Fees | 22,060 | 22,448 |
| Bad Debts | - | 101,450 |
| Coustodial Fee | 85,087 | 16,800 |
| Travelling Convayance | 3,886 | - |
| Telephone Charges | 6,794 | - |
| Consultancy Charges | 45,838 | - |
| Postage & Telegram | 437 | 21,961 |
| Bank Charges | 7,415 | 247,239 |
| Advertisement | 75,111 | - |
| Hatchery Maintenance | 108,650 | 72,460 |
| Legal Expenses | 94,676 | 26,580 |
| Filing Fees | 3,340 | 8,427 |
| Security Charges | 20,425 | 61,241 |
| Retainership fee | 16,854 | - |
| Certification Charges | 20,000 | 1,122 |
| Office expenses | 4,114 | 28,638 |
| | **1,013,475** | **711,428** |

## SCHEDULE : 8 - NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a) **Accounting Convention**

The financial statements have been prepared on historical cost convention in accordance with the normally accepted accounting principles and the provisions of the Companies Act, 1956. These statements have been prepared in accordance with applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956.

b) **Basis of Accounting**

Income and expenses are accounted on accrual basis except claims..

c) **Valuation of Inventories**

Company follows the method of valuation of inventories valued at lower cost or net realizable value.

d) **Fixed Assets**

Fixed Assets are stated at cost of acquisition and subsequent improvement thereto. The cost of acquisition includes taxes, duties, freight and other expenses related to acquisition and installation.

Expenditure relating to the project, incurred during the period of commissioning of the project is allocated to the respective fixed assets.

e) **Depreciation**

Depreciation on fixed assets is provided on written down value method at the rates laid down in Schedule – XIV of the Companies Act, 1956. Except Ponds & Reserveour , vehicle and plant & machinery which are remaining idle and going to retired asset.

f) **Events Occurring after Balance Sheet Date**

Materials events occurring after the Balance Sheet date are taken into cognisance.

g) **Miscellaneous Expenditure**

Preliminary and share issue expenditure are amortised over a period of 10 years.

h) **Treatment of Contingencies**

Contingencies which can be reasonably ascertained are provided for.

i) **Deferred Tax:**

Deferred tax is recognised subject the consideration of prudence on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

j) **Related party transactions:**

(i) There was no transaction with any related party during the year under audit.

2. The deferred tax assets has not been recognised as the Company has huge unabsorbed depreciation and carry forward losses under the Income Tax Act and there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realised.

3. The activities of the Hatchery, Aquaculture and Processing unit have been suspended in general.

4. Loans and Advances include an amount of Rs. 2,62,807/- being ESI paid under protest.

5. Contingent Liabilities:

a) Claim against the Company towards listing fee for stock exchanges not acknowledged as debts, as the trading of the shares of the Company is under suspension. Since claims against the company are not available, the liabilities have not been ascertained. The company is taking necessary steps for lifting of suspension and dues to stock exchanges shall be paid in due course of time.

b) ESI has made claim against the Company amounting to Rs.9,63,627/- against which Rs.2,62,807/- is paid under protest. The matter is under sub-judice.

6. No provision has been made for impairment of Assets as the realisable value of Assets has been increased substantially.

7. The Company does not owe to any micro, small scale and medium enterprises for which disclosure is not required under Micro, Small and Medium enterprises Development Act,2006.

8. **ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART - II OF SCHEDULE - VI TO THE COMPANIES ACT, 1956.**

**LICENCED AND INSTALLED CAPACITY**

i)

| Item | Unit | Licensed Capacity | Installed Capacity |
|---|---|---|---|
| Freezing | MT/Day | 6 | 6 |
| Storage | MT | 250 | 250 |
| Ice | MT/Day | 30 | 30 |

ii) **PRODUCTION**

| Item | Unit | 2008-2008 | 2007-2008 |
|---|---|---|---|
| Prawn | KG. | - | - |
| Reprocessed | KG. | - | - |
| *Total* | | - | - |

9. **INFORMATION PURSUANT TO PART-IV OF SCHEDULE - VI OF THE COMPANIES ACT, 1956**
***BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE***

I. **Registration Details**

Registration No. L05004OR1989PLC002264 State Code 1 5

Balance Sheet Date : 31 03 2009

II. **Capital raised during the year (Amount in Rs. Thousand)**

| Public Issue | Rights Issue |
|---|---|
| - - - - - - - - - | - - - - |

III. Position of Mobilization and Deployment of Funds (Amounting in Rs. )

| | |
|---|---|
| Total Liabilities | Total Assets |
| **12,86,35,229.00** | **12,86,35,229.00** |
| Source of Funds<br>Paid-up Capital | Reserve & Surplus |
| **3,96,00,000.00** | **5,62,50,000.00** |
| Secured Loans | Unsecured Loans |
| **Nil** | |
| Application of Funds<br>Net Fixed Assets | Investments |
| **2,35,43,127** | **Nil** |
| Net Curret Assets | Misc. Expenditure |
| **30,98,874.00** | **4,65,571.00** |

IV. Performance of Company **(Amount in Rs.)**

| Profit/Loss Before Tax | Profit/Loss After Tax |
|---|---|
| **(Loss) 1,64,13,627** | **(Loss) 1,64,13,627** |
| Earing per Share in Rs. | Dividend rate % |
| **Nil** | **Nil** |

V. Generic Names of Three Principal Product/Services of Company (as per monetary terms)

9. Figures are rounded of to the nearest rupee and previous years' figure have been regrouped whereever necessary to conform to current years' classification.

*Signature to Schedule 1 to 8.*

*As per our report of even date.*

**For SRB & ASSOCIATES,**
**CHARTERED ACCOUNTANTS**

ON BEHALF OF THE BOARD

**S.C.BHADRA, F.C.A.**
**Membership No.17054**
**PARTNER.**

**AMARENDRA DASH**
Chairman cum Managing Director

**ANNAPURNA DASH**
Director

Bhubaneswar
Date : 30.06.2009

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

Rs. in Lakhs

| | | Year Ended 31.03.2009 | Year Ended 31.03.2008 |
|---|---|---|---|
| A. | Cash flow from operating Activities | | |
| | Net Profit before tax and Extraordinary Items | (164.13) | 1858.85 |
| | **Adjustment for :** | | |
| | Depreciation | | 38.29 |
| | Profit/(Loss) on Sales of Assets | 147.09 | |
| | Discarded Assets written off | | |
| | Profit/(Loss) on sale on investments and provision for Diminution in value of investments | | |
| | Other Income | | |
| | Dividend Income | | |
| | Interest on Borrowings | | |
| | Miscellaneous Expenditure (Amortised) | | |
| | Miscellaneous Expenditure paid | | |
| | Provision for Wealth Tax | | |
| | **Operating Profit/(Loss) before working Capital Change** | (8.91) | 1909.82 |
| | **Adjustments for :** | | |
| | Trade and Other Receivables | 10.76 | |
| | Inventories | | |
| | Debtors | | |
| | Trade Payable and Other Liabilities | (188.2) | |
| | Cash Generated from Operations | | |
| | Interest Paid | | |
| | Direct Taxes Paid | | |
| | Cash Flow Before Extraordinary Items | | |
| | Prior Period Adjustments | | |
| | **Net Cash from Operating Activities ..... A** | (186.35) | |
| B. | **Cash Flow from Investing Activities :** | | |
| | Purchase of Fixed Assets | | |
| | Sale of Fixed Assets | 136.30 | |
| | Purchase of Investments | | |
| | Sale of Investments | | |
| | Interoperate Deposits | | |
| | Other Income | | |
| | Dividend Received | | |
| | **Net Cash Used in Investing Activities..... B** | | -- |

| | | |
|---|---|---|
| **C. Cash Flow from Financing Activities :** | | |
| Proceeds from issue of share capital | | |
| Capital contribution received | | |
| Borrowing (net) | 51.34 | 148.43 |
| Interest paid | | (0.35) |
| **Net cash from Financing activities ..... C** | 187.64 | 148.08 |
| Net increase/(decrease) in cash | 1.29 | 0.36 |
| And cash equivalent (A+B+C) | | |
| Cash and Cash equivalents as at 1st April, 2008 | 7.03 | 5.06 |
| (Opening Balance) | | |
| Cash and Cash equivalents as at 31st March, 2008 | 1.29 | 5.42 |
| (Closing Balance) | | |

ON BEHALF OF THE BOARD

**AMARENDRA DASH**
Chairman cum Managing Director

**ANNAPURNA DASH**
Director

Bhubaneswar
Date : 30.06.2009

## *AUDITORS' CERTIFICATE*

To

**The Board of Directors,**
**M/s SURYO FOODS & INDUSTRIES LIMITED,**
**A-54/1 & A-55/1, (3RD FLOOR),**
**Nayapalli, Baramunda,**

We have examined the attached Cash Flow Statement of M/s SURYO FOODS & INDUSTRIES LIMITED for the year ended 31st March, 2009. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchange and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 3rd MAY, 2009 to the members of the Company.

For **SRB & ASSOCIATES**
Chartered Accountants

**S.C BHADRA, F.C.A.**
Memb. no. 17054
partner.

Bhubaneswar
Date : 30.06.2009

**ATTENDANCE SLIP**

**SURYO FOODS & INDUSTRIES LIMITED**

**Regd. Office:Dinalipi Bhawan, A-54/1 & A-55/1, Baramunda, Bhubaneswar – 751003**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint Shareholders may obtain additional Attendance Slip at the Venue of the Meeting.

DP. Id*

Folio No.

Client Id*

NAME AND ADDRESS OF THE MEMBER:
No.of Share(s) held :
I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 24th day of **September, 2009 at 11.00 A.M. at Dinalipi Bhawan, A-54/1 & A-55/1, Baramunda, Bhubaneswar – 751003.**

Signature of **Member / Proxy**
(Name) .....

NOTE:
Please sign this attendance slip and hand it over at the verification counter of the Meeting Hall.
*Applicable for investors holding shares in electronic form.

——————————— TEAR HEAR ———————————

**PROXY FORM**
**SURYO FOODS & INDUSTRIES LIMITED**

**Regd. Office:Dinalipi Bhawan, A-54/1 & A-55/1, Baramunda, Bhubaneswar – 751003**

DP. Id*

Folio No.

Client Id*

I/We, _____ of _____
Being Member / Members of Alfa Transformers Limited, hereby appoint ..... of ..... of failing him ..... of ..... As my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Thurs day, the 24th day of septmber, 2009 **at 11.00 A.M. at Dinalipi Bhawan, A-54/1 & A-55/1, Baramunda, Bhubaneswar – 751003.**

* Applicable for investors holding shares in electronic form.
NOTE:

1. The proxy form signed across Re. 1/- stamp should reach Company's Registered Office Atlease 48 Hours before the schedule time of Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A proxy need not be a member.
4. The above Attendance Slip should be sent to the Proxy appointed by you and not to the Company.

Affix Revenu

If undelivered please return to :

SURYO FOODS & INDUSTRIES LIMITED

DINALIPI BHAWAN, A-54/1 & A-55/1, Nayapalli,
Baramunda, Bhubaneswar - 751 003, Orissa, (India)
Tel : 91-674-2563832, 2564773, Fax : 91-674-2562083
E.Mail : surya_bbs@hotmail.com