

**18th Annual Report
2009-2010**



SURAJ INDUSTRIES LIMITED



SURAJ INDUSTRIES LIMITED

BOARD OF DIRECTORS

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

REGISTERED OFFICE

Sansarpur Terrace, Distt. Kangra, Himachal Pradesh

<i>Contents</i>	<i>Page No.</i>
Notice	1
Directors' Report	3
Report on Corporate Governance	6
Auditors' Report	10
Balance Sheet	13
Profit & Loss Account	14
Schedules	15
Notes to the Accounts	19
Balance Sheet Abstract and Company's General Business Profile	23
Cash Flow	24



NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the members of **SURAJ INDUSTRIES LIMITED** will be held on Thursday, the 30th day of September, 2010 at 3.30 P.M. at the Registered Office of the Company at Sansarpur Terrace, Distt. Kangra, Himachal Pradesh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended on that date and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Sandeep Agrawal who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** Ms Rashmi Saxena who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of this Annual General Meeting be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Director by rotation.”

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

Sd/-
BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : NOIDA
Dated : 1st September , 2010

NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business item 4 as set out above is annexed hereto.
- b) A member entitled to attend and vote, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy in order to be effective must reach the Registered Office of the Company duly stamped, not less than 48 hours before the time fixed for the meeting. Proxy Form is enclosed.
- c) Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- d) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd September 2010 till Thursday, the 30th September 2010. (Both days inclusive).
- e) Members desirous of obtaining any information concerning the accounts and operation of the Company requested to send their query to the Company at least 10 days before the date of the Annual General Meeting so that any information required by the members may be made available at the meeting.
- f) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956
ITEM NO 4:**

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

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

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

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

Sd/-

BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : NOIDA

Dated : 1st September , 2010

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

Shri Sandeep Agrawal has over 20 years experience in industry, commerce & business. He is associated with the Company since last 20 years and is seeking re-election as director of the Company. He is director and member of committees of the following companies-

Other Directorship	Membership of the Committee
Name of the Company	Name of the Committee
a) Delhi Liquors Limited b) Millenium Breweries & Allied Products Limited c) Globus Industries & Services Limited	1. Suraj Industries Ltd. a) Investors' Grievance/Share Transfer Committee- Member b) Remuneration Committee – Member c) Audit Committee- Member

**DIRECTORS' REPORT**

Dear Members,

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

FINANCIAL RESULTS

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

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

Due to continuous losses there has been gradual erosion in the capital employed in the unit. As a result the entire net worth of the Company has been eroded.

DIVIDEND

In view of Financial Results of the Company, your Directors, are unable to recommend any dividend for the year under review. The Company shares are listed at Bombay Stock Exchange. The Company has paid the listing fees to Bombay Stock Exchange for the financial year 2010-2011.

OPERATIONS

Due to adverse market conditions and bleak prospects, the Company has exited from the edible oils business. The Company thereafter had ventured into marketing and distribution of liquor. But the same has also been discontinued due to bleak prospects.

The Company is now in the look out for some other business which can give it steady returns in the long run. During the year the company has restarted trading activities.

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

DIRECTORS

Shri Sandeep Agrawal, Director retire by rotation and being eligible, offer himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same except for the provision of Gratuity and Leave Encashment which have been accounted for on actual liability on the balance sheet date, amounting to Rs 5552/- & Rs 7665/- respectively, instead of actuarial valuation (reference is invited to Note no. 9 of part B of Schedule J to the Accounts). Since the going concern assumption is not followed in these accounts, the concept of actuarial valuation cannot be applied in the circumstances.
- That they have selected such accounting polices and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2009-2010 and of the profit of the Company for that period.



- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- d. With the closure of all the business segments as mentioned in Note no. 4 of part B of Schedule I to the Accounts, the accounts have been prepared not following the going concern assumption and all expenses of revenue nature incurred during the year relating to above segment have been charged off to Profit & Loss Account.

AUDIT COMMITTEE

Pursuant to the provisions of new Section 292A of the Companies Act, 1956, your Company has constituted the Audit Committee of the Board of Directors with the following composition.

1. Shri Sandeep Agrawal
2. Shri J.K. Jain
3. Shri Pradeep Gupta*

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

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

CORPORATE GOVERNANCE

SIL continues to function in a transparent manner with the basic philosophy to create wealth, besides taking care of the interests of all stakeholders including Shareholders, Banks, Customers, Employees and the Society at large.

Your Company gives due emphasis on the adaptability to such procedures so as to ensure transparency, accountability & integrity in all respect. A separate section on Corporate Governance and a Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges form part of the Annual Report.

AUDITORS

M/s. TAS Associates, Chartered Accountants, Auditors of the Company hold office until the conclusion of ensuing Annual General Meeting and your Directors recommended their re-appointment. The Company has received the requisite certificate from M/s. TAS Associates, Chartered Accountants to the effect that their re-appointment, if made, would be within the limits prescribed u/s. 224 (1-B) of the Companies Act, 1956.

AUDIT REPORT

The Auditors in their report have invited reference to note no 4 of part B of Schedule I (notes to the accounts) to the effect that the accounts have been prepared without following the going concern assumption on the closure & cessation of the business by the Company and disposal of major assets in preceding years.

As mentioned earlier, the Company has exited from the edible oils business due to adverse market conditions and bleak prospects. All the workers and the employees employed at the factory at Sansarpur Terrace had resigned voluntarily. Thereafter looking at the bleak prospects, the Company had sold off its assets at the factory after taking permission from the members of the Company, to pay off its liabilities. Thereafter the Company ventured into marketing and distribution of liquor but the same has also been discontinued. Since at present the Company had no continuing business except for the liquidation/realization of the liabilities/assets of the previous businesses, the counts of the Company have been drawn without following the going concern assumption.

Since the Company did not have any continuing business operations except the trading of vanaspati/ refined oil during the year and the volume of transactions were very less, internal audit through an external agency was not carried out. However, the internal controls were adequately exercised keeping in view the volume of transactions during the year.

However, it does not affect the true and fair view as confirmed by the Auditors in para 5 (g) of their report.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as regards conservation of energy, technology and outgo required u/s 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Directors) Rules, 1988 is annexed hereto as per annexure and forms an integral part of the report. Since there were no manufacturing activities during the Financial Year 2009-2010, so no information has been provided under this head.

PARTICULARS OF EMPLOYEES

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

**INSURANCE**

All the insurable interest of the Company wherever required under legislative enactments are adequately insured.

INDUSTRIAL RELATIONS

The Industrial Relations have continued to be stable and harmonious during the course of the year.

ACKNOWLEDGEMENTS

We wish to place on record our sincere appreciation of the continued valuable assistance, co-operation, guidance and support provided to the Company by its bankers, Government of Himachal Pradesh and the local authorities.

In the end, your Directors wish to place on record their deep appreciation of the enthusiasm, initiative and hard work put in by the employees of the Company.

For and on behalf of the Board
For **SURAJ INDUSTRIES LIMITED**

Sd/-
(J.K. JAIN)
DIRECTOR

Sd/-
(PRADEEP GUPTA)
WHOLE TIME DIRECTOR

Place : NOIDA

Dated : 1st September, 2010

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

INFORMATION AS PER SECTION 217(I)(e) READ WITH THE COMPANIES ANNEXURE - 1 DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010 :

I. CONSERVATION OF ENERGY:

- a. Details of total energy consumption and energy consumption per unit of production as per Form 'A' are given hereunder :

There has been no manufacturing activity in the Company since 2005.

II. TECHNOLOGY ABSORPTION: RESEARCH & DEVELOPMENT

There has been no manufacturing activity in the Company since 2005.

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

Earnings — Nil

Outgo — Nil

For and on behalf of the Board
For **SURAJ INDUSTRIES LIMITED**

Sd/-
(J.K. JAIN)
DIRECTOR

Sd/-
(PRADEEP GUPTA)
WHOLE TIME DIRECTOR

Place : NOIDA

Dated : 1st September, 2010

MANAGEMENT DISCUSSION AND ANALYSIS

Due to adverse market conditions and bleak prospects, the Company has exited from the edible oils business. The Company thereafter had ventured into marketing and distribution of liquor. But the same has also been discontinued due to bleak prospects.

The Company is now in the look out for some other business which can give it steady returns in the long run.

FINANCIAL PERFORMANCE

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

FINANCE COST

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

RSERVES AND SURPLUS

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

EARNING PER SHARE

Due to losses the earning per share is negative.

INTERNAL CONTROLS

The Company has adequate internal controls commensurate with its size and nature of business. These internal controls ensure optimum use and protection of available resources.

ENVIRONMENT CONSCIOUSNESS

The Company is environment conscious.



REPORT ON CORPORATE GOVERNANCE

In compliance with Clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and practice followed by the Company:

1. COMPANY'S PHILOSOPHY

Corporate Governance is an important cornerstone of our objective of creating shareholder value. The Company firmly believes in and has consistently practiced good corporate governance. Corporate Governance at the Company is practiced through a well structured organisation and regulatory framework involving the Board of Directors, Committees of the Board, the Chairman and a team of Senior Executives. Our Corporate Governance Policies recognize the accountability of the Board and the importance of its decisions to all our consultants including investors, employees, bankers, etc. The Company's essential character and complexion are shaped by the very values of transparency, professionalism and accountability.

2. BOARD OF DIRECTORS

(a) Board Procedure : During the financial year ended March 31, 2010, six Board meetings were held on 30th April, 2009, 31st July 2009, 31st October 2009, 1st January 2010, 30th January, 2010 and 29th March, 2010.

(b) Composition and Category of Board : The Board of Directors as on March 31, 2010, consists of a majority of Non-Executive Independent Directors, many of them are acknowledged as leading professionals in their respective fields. In all the Board comprises of one (1) Executive Director, four (4) Non Executive Independent Directors. The constitution of Board, as on March 31, 2010 is given below:-

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

* Ceased to be director on 30.04.2009 ** Ceased to be director on 01.01.2010 *** Appointed on 01.01.2010

None of the Directors of the Company is a member of more than 10 committees or Chairman of more than five committees across all the companies in which they are Directors.

3. AUDIT COMMITTEE

The Company had constituted an Audit Committee in the year January 2001. The Constitution of Audit Committee meets the requirements under Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. During the year, four Audit Committee meetings were held on 30.04.2009, 31.07.2009, 31.10.2009 and 30.01.2010. The composition of Audit Committee as on March 31, 2010 is as follows:

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

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

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

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



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

- (a) To review the quarterly, half years and annual financial statements before submission to the Board for approval.
- (b) To discuss the Auditors about internal control system and to consider their observations and follow-up
- (c) To ensure compliance of internal control system
- (d) Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in :
 - (i) Accounting policies and practices
 - (ii) Major accounting entries based on the exercise of judgment by management
 - (iii) Qualifications in the draft audit report
 - (iv) The going concern concept
 - (v) Compliance with accounting standards
 - (vi) Any related party transactions i.e. transactions of the Company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.
- (e) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- (f) Reviewing the adequacy of internal audit functions.
- (g) Discussions with internal auditors any significant finding and follow up there on.
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (i) Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- (j) To investigate on any matter referred the Board.

4. REMUNERATION COMMITTEE

The Board of Directors in their meeting held on April 27, 2002 constituted the Remuneration Committee comprises of two Directors. The scope of the Committee includes, inter alia, appointment, removal and compensation issues of key managerial personal of the Company. The Remuneration Committee meets with the requirement under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. As on March 31, 2010, the Committee comprises of 3 (Three) Non-Executive Directors viz. Shri J.K.Jain as Chairman, Shri Sandeep Agrawal and Ms. Rashmi Saxena as Member.

The remuneration committee met on July 31, 2009 to approve the appointment of Mr. Pradeep Gupta as Whole Time Director at remuneration of Rs.15000/- per month plus other benefits.

Remuneration paid to Directors

The remuneration, if any, paid to the Directors is decided by the Board of Directors of the Company. However, the Chairman and other Non-Executive Directors, including Four Independent Directors, do not draw any remuneration from the Company.

5. INVESTORS' GRIEVANCE/ SHARE TRANSFER COMMITTEE

Pursuant to the Provisions of Clause 49 of the Listing Agreement, the Board has constituted a committee of three members under Chairmanship of Non-executive Director. The committee meets once in a month, to approve inter-alia, transfer / transmission of shares, issue of duplicate share certificate and reviews the status of investors grievances and redressal mechanism and recommend measures to improve the level of investor services. Details of shares transfer/transmissions approved by the committee are placed at the Board Meetings from time to time.

Composition

The constitution of the committee of Directors is as under:-

- (1) Shri J.K.Jain : Chairman, Non-executive Director
- (2) Shri Sandeep Agrawal : Member, Non-executive Director

The Board has designated Bhanumati Ramchandran, Company Secretary as Secretary to the Committee.

Details of Shareholders Complaints received & replied to the satisfaction of Shareholders

During the financial year 2009-10 the Company did not received any complaints of shareholders. There is no pending complaint relating to financial year 2009-10.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held as under :-

Year	Location	Date	Time
2007	Sansarpur Terrace, Dist. KangraHimachal Pradesh	28.9.2007	2.30 PM
2008	Sansarpur Terrace, Dist. KangraHimachal Pradesh	30.9.2008	2.30 PM
2009	Sansarpur Terrace, Dist. KangraHimachal Pradesh	30.9.2009	3.30 PM



Postal Ballot

During the year under review no resolution was passed through postal ballot.

- None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

7. DISCLOSURES

- (a) Disclosures on materially significant related party transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

None of the transactions with any of the related parties were in conflict with the interests of the Company.

- (b) Details of non compliance by the Company, penalties, strictures Imposed on the Company by Stock Exchange of SEBI of any Statutory Authority, on any matter related to capital markets, during the last three years.

No penalties, strictures were imposed on the Company by Stock Exchange of SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

- (a) The quarterly / half yearly results are forthwith communicated to all Stock Exchanges with whom the Company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the Company. The results are being published in the leading newspapers in terms of the Listing Agreement.

9. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting

Date and Time : 30.9.2010 3.30 P.M.
 Venue : Sansarpur Terrace
 Dist. Kangra, Himachal Pradesh

- (b) Book closure date : 23.9.2010 to 30.9.2010
 (c) Dividend payment date : N.A
 (d) Stock Exchanges at which Shares of the Company are Listed. : The Stock Exchange, Mumbai

- (e) Stock Code : Code
 The Stock Exchange, Mumbai : 526211

- (f) Stock Market Data
 The Company's shares are not actively traded in the stock Exchanges where they are listed.

- (g) Share price performance in comparison to broad based indices.
 No information received from the stock exchanges

- (h) Registrar and Transfer Agent : Beetel Financial & Computer Services (P) Ltd.
 Beetel House, 3rd Floor, 99, Madangir, New Delhi- 110017

- (i) Share Transfer System
 Transfers of shares in physical form are registered and dispatched within 3 weeks form the date of their receipt, subject to the documents being valid and complete in all respects. In case of objection, the same are also dispatched wihin 3 weeks.

- (j) Distribution of Shareholding as 31st March,2010

No. of equity shares held	No. of Share holders	% of shareholders	Number of shares held	% of shareholding
1 to 5000	16612	99.04	1781160	24.07
5001 to 10000	82	0.49	66500	0.90
10001 to 20000	20	0.12	31200	0.42
20001 to 30000	4	0.02	9200	0.12
30001 to 40000	2	0.01	6800	0.09
40001 to 50000	33	0.20	163300	2.21
50001 to 100000	3	0.02	25700	0.35
100001 to above	17	0.10	5316140	71.84
Grand Total	16773	100	7400000	100



Shareholding pattern as on March 31, 2010

Sl. No.	Category	No. of Shares held	(%) of holding
A.	Promoters' Holding	2723050	36.80
B.	Non-Promoters' Holding		
	1. Institutional Investors	100	0.00
	2. Others		
	i) Body Corporates	740000	10.00
	ii) Indian Public	3936850	53.20
	iii) NRIs/OCBs		
	Sub-total (B)	4676850	63.20
	Grand Total	7400000	100

(k) Dematerialization of Shares and Liquidity_

The Shareholders in the Annual General Meeting held on 30th September, 2002 approved for dematerialisation of shares. The Company there after applied NSDL/CDSL for listing of shares but the same was declined by CDSL/NSDL.

(l) Outstanding GDRs/ADRs/Warrants or Convertible Instruments, conversion

Date and likely impact on Equity : Not Applicable

(m) Plant Location

: Sansarpur Terrace, Distt. Kangra, Himachal Pradesh.

Address for Investor correspondence and for a any query on annual : Sansarpur Terrace, Distt. Kangra, Himachal Pradesh

Corporate Governance Certificate

The Certificate dated September 01, 2010 obtained from Mr. Gurmeet Singh Khurana, Company Secretary in whole time practice forms part of this Annual Report and the same is given herein:

To the members of Suraj Industries Limited

We have examined the compliance of the conditions of Corporate Governance by **Suraj Industries Limited** for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial state-ments of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agree-ment.

We state that no investor grievances were pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors grievance Committee.

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

Place : NOIDA

Date : 1st September , 2010



AUDITORS' REPORT

To,
The Members,
Suraj Industries Limited

1. We have audited the attached Balance Sheet of Suraj Industries Limited as at March 31, 2010 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that 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 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 mis-statements. 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 the 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 (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. *Attention is drawn to note no 4 of part B of Schedule I to the effect that these accounts have been prepared without following the going concern assumption on the closure & cessation of the business by the company and disposal of major assets in preceding years.*
5. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far, as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards as referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - f) To the best of our knowledge & belief, the provisions of Section 441A of the Companies Act, 1956 regarding the levy & collection of cess on turnover or gross receipts of the Company, have not yet been notified by the Central Government. Accordingly, we are unable to express our opinion on the compliance of the said section in terms of clause(g) of sub-section 3 of section 227 of the Companies Act, 1956 and clause 9 of the Annexure attached to this report.
 - g) In our opinion and to the best of our information and according the explanations given to us, the said accounts, together with the notes thereon, 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 principles generally accepted in India:
 - I. in the case of the Balance Sheet, of the state of affairs of the company, as at March 31, 2010; and
 - II. in the case of the Profit and 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 flows for the year ended on that date.

For **TAS ASSOCIATES**
Chartered Accountants
Firm Registration No: 10520 N

Sd/-
(Mukesh Agrawal)
Partner
M. No.: 090582

Place : NOIDA
Date : 1st September, 2010

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF SURAJ INDUSTRIES LIMITED FOR THE YEAR ENDED MARCH 31, 2010.**

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) During the year, Fixed assets of the Company have been physically verified by the management which, in our opinion, is reasonable having regard to the size of the company and the nature of its fixed assets. As mentioned to us no serious discrepancies were noticed by the management on such verification.
c) The company has not disposed off its fixed assets during the year.
2. a) Since there is no inventory as at the end of the year with the company hence clause relating to physical verification and maintaining of proper records of inventory is not applicable for the year.
3. a) The company has not taken any loan secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
b) There are no companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 to which the company has granted loans.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purpose of purchase and sale of goods, material, fixed assets and services. During the course of our audit, on random test check basis, no major weakness has been noticed in the internal controls in respect of these areas.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 have been so entered.
b) According to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of five lakhs rupees, in respect of any party during the year.
6. To the best of our knowledge & belief and according to information & explanations given to us, the company has complied with the provisions of sections 58A, 58AA and other applicable provisions of the Companies Act, 1956 and rules framed thereunder, wherever applicable, for accepting deposits from public.
7. *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.*
8. Pursuant to the rules made by the Central Government for the maintenance of cost records in respect of the Vanaspati segment, under section 209 (1) (d) of the Companies Act, 1956, we are of the opinion that, prima facie, the prescribed accounts and records, relating to materials, labour and other items of cost, have not been made and maintained for the year as there was no manufacturing activity for the year under review.
9. a) According to the records of the company, the company is generally regular in depositing with appropriate authorities, undisputed statutory dues including Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues applicable to it.
b) According to the records of the company and information and explanations given to us, there are no dues of Sales Tax, Income Tax, Custom Duty, Service Tax, Wealth Tax, Excise Duty and Cess on account of any dispute.
10. The company has accumulated losses of Rs. 1030.68 lacs (Rs. 1019.71 Lacs in Previous year), which are more than fifty percent of its net worth as at March 31st 2010. It has incurred cash loss during the year of Rs.10.58 Lacs P/Y Rs. Nil.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks. However, there are no dues payable to financial institutions or debenture holders.
12. According to information and explanations given to us and based on the documents and records produced before us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.



13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, there is no special statute applicable to the company, hence provisions related to requirement of NOF, prudential norms for income recognition, appraisal of credit proposal etc. are not required to be complied by the company.
14. Based on our examination of the records, in our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause regarding proper records of transactions and contracts in respect of shares etc., is not applicable to the company.
15. Based on our audit procedure and on the information and explanations given by management, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. In our opinion, the term loans have been applied for the purpose for which they were raised.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that on the Balance Sheet date, the company has not raised any funds on short term basis which have been used for long-term investments by the company.
18. According to the information and explanation given to us, the company has not made any preferential allotment of shares during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **TAS ASSOCIATES**
Chartered Accountants
Firm Registration No: 10520 N

Sd/-
(Mukesh Agrawal)
Partner
M. No.: 090582

Place : NOIDA
Date : 1st September, 2010



BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedules	As At 31.03.2010 (Rs.)	As At 31.03.2009 (Rs.)
I. SOURCES OF FUND			
1. SHARE HOLDERS FUNDS			
Share Capital	A	73,430,000	73,430,000
2. LOAN FUNDS			
Unsecured Loans	B	14,454,000	14,154,000
TOTAL		87,884,000	87,584,000
II. APPLICATION OF FUNDS			
1. FIXED ASSETS	C		
Gross Block		1,459,238	1,459,238
Less : Accumulated Depreciation		149,126	115,392
Net Block		1,310,112	1,343,846
2. CURRENT ASSETS, LOANS & ADVANCES	D		
a) Current Assets			
Sundry Debtors		407,806	—
Cash & Bank Balances		197,373	238,635
Other Current Assets		99,000	99,000
b) Loans & Advances		3,062,203	3,362,203
		3,766,382	3,699,838
LESS: CURRENT LIABILITIES AND PROVISIONS	E		
a) Current Liabilities		20,198,136	19,368,692
b) Provisions		63,217	62,182
		20,261,353	19,430,874
NET CURRENT ASSETS		(16,494,971)	(15,731,036)
3. PROFIT & LOSS ACCOUNT		103,068,859	101,971,190
TOTAL		87,884,000	87,584,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I

This is the Balance Sheet referred to in our report of even date attached

for TAS Associates

Chartered Accountants

Firm Registration No: 10520 N

for and on behalf of the Board of Directors

Sd/-

Mukesh Agrawal

(Partner)

M. No. 090582

Sd/-

J K Jain

(Director)

Sd/-

Pradeep Gupta

(Whole Time Director)

Sd/-

Bhanumati Ramachandran

(Company Secretary)

Place : NOIDA

Date : 1st September, 2010



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedules	For the year 2009-2010 (Rs.)	For the year 2008-2009 (Rs.)
I. INCOME			
1. Sale		770,081	—
2. Other Income	F	80,176	3,331,972
TOTAL		850,257	3,331,972
II. EXPENDITURE			
1. Purchases of Trading goods		747,480	—
2. Manufacturing, Administrative and other Overheads	G	1,160,018	1,319,526
3. Financial Charges	H	1,438	19,184
4. Depreciation		33,734	33,734
TOTAL		1,942,670	1,372,444
III. Net Profit/ (Loss) for the Year Before Tax		(1,092,413)	1,959,528
IV. Provision for taxation:			
Taxes Earlier Year		5,256	—
Current Tax		—	—
Deferred Tax		—	—
Fringe Benefit Tax		—	5,900
		5,256	5,900
V. Net Profit/ (Loss) after tax		(1,097,669)	1,953,628
VI. Loss Brought Forward		101,971,190	103,924,818
VII. Net Loss Carried to Balance Sheet		103,068,859	101,971,190
VIII. Basic and Diluted Earning Per Equity Share			
Before extra-ordinary items		(0.15)	0.27
After extra-ordinary items		(0.15)	0.27
<i>(See note no.-13 of part B of Schedule 'I')</i>			

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

I

This is the Profit & Loss Account referred to in our report of even date attached

for TAS Associates

Chartered Accountants
Firm Registration No: 10520 N

for and on behalf of the Board of Directors

Sd/-
Mukesh Agrawal
(Partner)
M. No. 090582

Sd/-
J K Jain
(Director)

Sd/-
Pradeep Gupta
(Whole Time Director)

Sd/-
Bhanumati Ramachandran
(Company Secretary)

Place : NOIDA
Date : 1st September, 2010

**SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT**

(Rs. in Lacs)

PARTICULARS	As At 31.03.2010	As At 31.03.2009
<u>SCHEDULE - A: SHARE CAPITAL</u>		
AUTHORISED		
10000000 Equity Shares of Rs. 10/- each	100,000,000	100,000,000
ISSUED AND SUBSCRIBED		
7400000 Equity Shares of Rs. 10/-each fully called up	74,000,000	74,000,000
	<u>74,000,000</u>	<u>74,000,000</u>
PAID-UP		
7286000 Equity Shares (Previous Year 7286000) of Rs. 10/- each, fully paid-up	72,860,000	72,860,000
114000 Equity Shares (Previous Year 114000) of Rs. 10/- each. Rs. 5 Paid up	570,000	570,000
	<u>73,430,000</u>	<u>73,430,000</u>
<u>SCHEDULE - B: LOAN FUNDS</u>		
UNSECURED LOANS		
- From Bodies Corporate	14,029,000	13,729,000
- From Others	425,000	425,000
	<u>14,454,000</u>	<u>14,154,000</u>



SCHEDULE - C: FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2009	ADDITION	DEDUCTION	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE YEAR	DEDUCTION	UPTO 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
Lease Hold Land	842,913	—	—	842,913	—	—	—	—	842,913	842,913
Other Equipments & Appliances	334,200	—	—	334,200	55,014	15,875	—	70,889	263,311	279,186
Furniture & Fixtures	282,125	—	—	282,125	60,378	17,859	—	78,237	203,888	221,747
TOTAL	1,459,238	—	—	1,459,238	115,392	33,734	—	149,126	1,310,112	1,343,846
Previous year figures	1,459,238	—	—	1,459,238	81,658	33,734	—	115,392	1,343,846	1,377,581



SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT (Contd...)

(Rs. in Lacs)

PARTICULARS	As At 31.03.2010	As At 31.03.2009
SCHEDULE - D: CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
SUNDRY DEBTORS (Unsecured and Considered Good)		
– Less than 6 Months	407,806	—
– More than 6 Months	—	—
	407,806	—
CASH AND BANK BALANCES		
i) Cash in Hand	171,091	207,343
ii) Balance with Scheduled banks		
– In Current Accounts	26,282	31,292
	197,373	238,635
OTHER CURRENT ASSETS		
Unrealised Stock Invest (Refer Note No. 1 of Part B of Schedule I)	99,000	99,000
	99,000	99,000
B. LOANS AND ADVANCES (Unsecured and considered Good, unless otherwise stated)		
i) Advances recoverable in cash or in kind or for value to be received	100,000	100,000
ii) Share Application Money	2,418,074	2,718,074
iii) Tax Deducted at Source	269,129	269,129
iv) Sales Tax deposited under protest	275,000	275,000
	3,062,203	3,362,203
SCHEDULE - E: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
– Total dues to Micro & Small Enterprises (Refer Note no. 09 (a) of Schedule I)	—	—
– Total dues to Other than Micro & Small Enterprises (Refer Note no. 09 (b) of Schedule I)	19,462,066	18,533,599
Security Deposits	500,000	500,000
Other Liabilities	212,140	323,113
Statutory Dues Payable	23,930	11,980
	20,198,136	19,368,692
PROVISIONS		
– Provision for Taxation	—	—
– Provision for Fringe Benefit Tax	—	5,900
– Provision for Retirement benefits	63,217	56,282
	63,217	62,182



SCHEDULES FORMING PART OF THE BALANCE SHEET & PROFIT & LOSS ACCOUNT (Contd...)

(Rs. in Lacs)

PARTICULARS	As At 31.03.2010	As At 31.03.2009
SCHEDULE - F: OTHER INCOME		
Debts No longer payable (Net)	80,176	3,331,972
	<u>80,176</u>	<u>3,331,972</u>
SCHEDULE - G: MANUFACTURING, ADMINISTRATIVE AND OTHER OVERHEADS		
A) ADMINISTRATIVE AND OTHER EXPENSES		
Salary, wages & other benefits	427,331	505,084
Contribution towards provident and other funds	27,611	20,070
Printing & Stationery	2,729	11,690
Telephone & Postage	50,653	35,986
Tours & Travelling	38,517	21,194
Legal, Professional & Consultancy	344,768	441,742
Conveyance & Vehicle Maintenance	19,766	29,715
Donation	2,500	—
Auditor's Remuneration	44,120	44,120
Business Promotion Expenses	—	7,532
Advertisement & Publicity	113,520	137,280
Other Expenses	88,503	65,113
	<u>1,160,018</u>	<u>1,319,526</u>
SCHEDULE - H: FINANCIAL CHARGES		
Bank Charges	1,438	19,184
	<u>1,438</u>	<u>19,184</u>

**SCHEDULE - I: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****A. SIGNIFICANT ACCOUNTING POLICIES****1. ACCOUNTING CONVENTION**

The financial statements are prepared under the historic cost convention, without following the on going concern assumption in view of the discontinued operations & cessation of business activities, in accordance with the applicable accounting standards as specified under Companies (Accounting Standards) Rules 2006.

2. RECOGNITION OF INCOME AND EXPENDITURE:

Revenues/Incomes and Cost/Expenditures are accounted on accrual as they are earned or incurred in accordance with the generally accepted accounting principles, Accounting Standard and provisions of the Companies Act, 1956. The service charges are recognised at gross amount received / receivable on completion of performance or receipt, whichever is earlier.

3. RETIREMENT AND PENSION BENEFITS

- i) Retirement benefits in the form of Provident fund and Family Pension fund is a defined contribution scheme and the contributions are charged to the profit and loss account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.
- ii) Gratuity is a defined benefit obligation. Gratuity liability is accrued and provided for on the basis of an actuarial valuation on the projected unit credit method made at the end of the financial year.
- iii) Long term compensated balances in the form of leave encashment are provided for based on actuarial valuation at the end of the financial year. The actuarial valuation is done as per projected unit credit method.
- iv) Actuarial gains/losses are debited to profit and loss account and are not deferred.

4. FIXED ASSETS

- i) Fixed Assets are stated at cost, less accumulated depreciation other than 'Leasehold Land', where no amortization is made. The cost includes taxes, duties, freight and other incidental expenses related to acquisition, installation and commissioning.
- ii) Capital subsidies, if any, on acquisition of specified fixed assets are reduced from the original cost and the net amount are adopted as the historical cost of gross block and depreciated accordingly.
- iii) Capital work in progress is capitalized as fixed assets on the date of commissioning of the asset.

5. METHOD OF DEPRECIATION AND AMORTISATION:

- i) a) Depreciation on Fixed Assets is provided at the relevant rates of depreciation in respect of Straight Line Method as specified in Schedule XIV to the Companies Act, 1956;
b) The depreciation on assets costing up to Rs.5,000 are depreciated at the rate of hundred percent on pro-rata basis. However where the aggregate cost of individual items of plant and machinery, costing up to Rs.5,000, constitutes more than 10% of the total actual cost of Plant & Machinery, rates of depreciation on such items have been charged as specified in the schedule.
- ii) Depreciation on additions to assets or on sale/ discardment of assets is calculated pro-rata from the date of such addition or up to the date of such sale/ discardment, as the case may be.
- iii) No amounts are written off against Leasehold Land by way of amortization.
- iv) An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

6. VALUATION OF INVENTORIES :**Method of Valuation**

Raw Material, Packing Material & Consumables	: At Cost
Finished Goods (Including Goods in Transit)	: At Cost or net realisable value whichever is lower.
Stock in Process	: At Cost
By Products	: At net realisable value
Loose Tools	: At cost and charged off when discarded



In the above, cost is arrived at by weighted average cost method and in case of Finished Goods and Stock in Process it also includes manufacturing & related establishment overheads, interest and depreciation.

7. INCOME TAX:

Provision for current Income Tax is made on the basis of estimated taxable income after taking into consideration, estimates of benefits admissible under the provisions of Income Tax, 1961. The company provides for deferred tax liability (after netting off deferred tax assets), based on the tax effect of timing difference resulting from the recognition of items in the financial statements. Deferred tax assets (after, netting of deferred tax liabilities), are generally not recognized unless there is strong circumstances exists for its adjustment/realization in near future.

8. SEGMENT REPORTING:

The segment reporting, if any & to the extent identified, is made in accordance with the company's accounting policies as enumerated above unless otherwise separately stated along with the segment results.

9. PROVISIONS AND CONTINGENT LIABILITIES:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

The disclosure is made for all possible or present obligations that may but probably will not required outflow of resources, as contingent liability in the financial statements.

B. NOTES TO THE ACCOUNTS

1. Stock invest pertaining to Share application money for 10,300 equity Shares (Previous year 10,300 equity shares) of Rs. 10/- each were returned unrealized by the Bankers and the same were allotted and included in Share Capital during the financial year 1993-94 as part of Company's maiden public issue. Out of these shares, the company has to still receive a sum of Rs. 99,000 as on 31.03.2010 as per details given below:
 - On 9,500 Shares @ Rs. 10/- each amounting to Rs. 95,000
 - On 800 Shares @ Rs. 5/- each (Rs. 5/- each paid on allotment) amounting to Rs. 4,000
2. In the opinion of the board, the current assets, loans & advances have a value on realisation in the ordinary course of business at least equal to the amount at which these are stated in the balance sheet as at 31.03.2010.
3. Some of the balances of Sundry Creditors, Loans & Advances are subject to letters of confirmations without expecting any major deviations to affect materiality of these accounts.
4. The Company has been reviewing its operations till 31.08.2007, under two business segments viz. (i) Manufacturing of Vanaspati; (ii) Liquor,
 - A) On July 29, 2005, the Board of Directors adopted a plan for the closure of Vanaspati division which was identified as major business segment. The arrangement with MML has also been closed w.e.f. 31.08.2007 on termination of the agreement. In view of the discontinued operations in both the business segments, the company is disclosing the following information:

Particulars	Vanaspati Division	Liquor Division
a) Effective Date of Discontinuance	29.07.2005	31.08.2007
b) Gross Value of Fixed Asset at cost on the effective date	Rs. 1189.23 Lacs	Rs. NIL
c) Original Estimated Time of Completion of discontinuance & disposal of fixed assets.	12 months	—
d) Carrying amount of all the assets including fixed assets as at balance sheet date	Rs. 16.43 Lacs	Rs. 29.26 Lacs
e) Estimated realizable value of assets as at balance sheet date	Rs. 16.43 Lacs	Rs. 29.26 Lacs
f) Carrying amount of all the Liabilities as at balance sheet date	Rs. 151.89 Lacs	Rs. 182.99 Lacs



- B) The amount of revenue and expenses and amount of pre-tax profit or loss in respect of the ordinary activities as attributable to the discontinuing operations during the current financial reporting period and amount of income tax expense, if any, is appropriately disclosed in the profit & loss account.
- C) The intermittent trading operations are considered as a separate business segment for review purposes.

5. AUDITORS REMUNERATION

	2009-2010 (Rs.)	2008-2009 (Rs.)
Audit fees	40,000.00	40,000.00
Service Tax	4,120.00	4,120.00
TOTAL	44,120.00	44,120.00

6. MANAGERIAL REMUNERATION

Remuneration to a Whole Time Director	1,80,000.00	2,00,000.00
Directors Sitting Fees	Nil	Nil
TOTAL	1,80,000.00	2,00,000.00

7. Additional Information required pursuant to the Provisions of paragraph 3 & 4 of Part 2 of schedule VI to the Companies Act 1956 are not disclosed in view of suspended and discontinued manufacturing operations by the company in earlier years.
8. **The company has a defined benefit gratuity plan & leave encashment as long term benefits to employees. In view of the limited number of employees left on discontinued operations of the company, the actuarial valuation has not been carried out during the year for such long term benefits. However, in compliance of AS-15, a reasonable estimate of company's liability towards such long term benefits to all the employees, has been made on the presumption as if all are retiring on the balance sheet date.**
9. a) Small Scale Industrial Undertakings to whom amounts are due have been determined based on the information available with the company, included in creditors.
 b) The Company has not received the required information from Suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.
10. With the Discontinuing operations in the identified business segments of Vanaspati and Liquor and involving limited transactions, the segment wise results have not been considered relevant and hence not disclosed. The intermittent trading operations has not been considered as a separate business segment for the purpose of reviewing its operations.
11. Related Party Disclosures
- a) Names of Related Parties and description of Relationship, with whom transactions have taken place during the year:
- i) Key Managerial Personnel:
 Mr. Pradeep Gupta — Whole Time Director
- b) Transactions during the year and balances outstanding as at the year-end in respect of transactions entered into during the year with the Related Parties:

Particulars	2009-2010	2008-2009
	Key Managerial Personnel	Key Managerial Personnel
Expenditure		
a) Directors' remuneration including Perquisites	1.80	2.00



12. Deferred Tax:

Major components of Deferred Tax Asset (net) arising on account of timing difference are as under:

(Rs. In Lacs)

	2009-2010	2008-2009
Deferred Tax Liabilities		
Fixed Assets	0.61	0.67
Total	0.61	0.67
Deferred Tax Assets		
Fixed Assets	—	
Provision for Gratuity, Bonus & Leave Encashment	0.35	0.36
Provision for doubtful debts	—	—
Unabsorbed depreciation and business losses as per IT	252.18	271.02
Total	252.53	271.38
Accumulated Net Deferred Tax Assets	251.92	270.71

In view of the continuing business losses & accounting policy of the company, the net deferred tax asset for the year has not been recognized, as the same does not appear to be realizable in near future.

13. Basic and Diluted Earning per Share has been arrived as follows:

	2009-2010	2008-2009
Profit/(Loss) before Extra-ordinary items	(1097669)	1953628
Profit/(Loss) after Extra-ordinary items	(1097669)	1953628
Weighted Average No. of Equity Shares of Rs. 10 each	7,333,100	7,333,100
Basic & diluted EPS (before extra-ordinary items)	(0.15)	0.27
Basic & diluted EPS (after extra-ordinary items)	(0.15)	0.27

14. Expenditure in Foreign Currency

(Rs in Lacs)

– Travelling Expenses Nil (Previous Year Nil)

15. Earnings in Foreign Currency

Nil (Previous Year Nil)

16. Previous year figures have been regrouped/restated wherever considered necessary to conform with current year figures.

17. Company's abstract and business profile pursuant to part IV of schedule VI is separately enclosed herewith.

for and on behalf of the Board of Directors

Sd/-
J K Jain
(Director)

Sd/-
Pradeep Gupta
(Whole Time Director)

Sd/-
Bhanumati Ramachandran
(Company Secretary)

Place : NOIDA

Date : 1st September, 2010



17. Information pursuant to Part - IV of the Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS :

Registration No. : 16791 State Code : 06
Balance Sheet date : 31032010

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue : NIL Right Issue : NIL
Bonus Issue : NIL Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSAND)

Total Liabilities : 87884 Total Assets : 87884

Sources of Funds

Paid up Capital : 73430 Reserve and Surplus : NIL
Secured Loans : NIL Unsecured Loans : 14454
Share Application Money : NIL Deferred Tax Liability : 30.99

Application of Funds

Net Fixed Assets : 1310 Net Current Assets : (16495)
Accumulated Losses : 103069 Miscellaneous Expenditure : NIL

IV. PERFORMANCE OF COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover : 850 Total Expenditure : 1943
Profit/Loss Before Tax : (1092) Profit/Loss After Tax : (1098)
Earning per share in Rs. : 0.15 Dividend rate % : NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. : 15162009
Product Description : Vanaspati
Item Code No. : 15162009
Product Description : Refined Oil



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

(Amount in Rs.)

Particulars	Schedules	As At 31.03.2010 (Rs.)	As At 31.03.2009 (Rs.)
A) CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit before Tax		(1,092,413)	1,959,528
Adjustment for:			
Depreciation	33,734	33,734	
Provision for Gratuity & Other benefits	6,935	40,669	35,282
		<u>33,734</u>	<u>69,016</u>
Operating Profit before Working Capital Changes		(1,051,744)	2,028,545
Adjustment for:			
Inventories	—	—	
Trade & Other Receivables	(407,806)	5,996	
Trade Payables & Other Liabilities	829,444	421,638	(3,149,810)
		<u>421,638</u>	<u>(3,143,814)</u>
Cash Generated from Operations		(630,106)	(1,115,269)
Less: Taxes Paid		11,156.00	(20,000)
Net Cash from Operating Activities	A	(641,262)	(1,135,269)
B) CASH FLOW FROM INVESTING ACTIVITIES			
Share application money received back		300,000	2,363,151
Net Cash from Investing Activities	B	300,000	2,363,151
C) CASH FLOW FROM FINANCING ACTIVITIES			
Unsecured loans taken / (repaid)		300,000	(1,300,000)
Net Cash from Financing Activities	C	300,000	(1,300,000)
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)			
		(41,262)	(72,118)
Opening Cash & Cash Equivalents		238,635	310,753
Closing Cash & Cash Equivalents		197,373	238,635
NOTE: Figures in Brackets represent outflows.		—	—

This is the Balance Sheet referred to in our report of even date attached

for TAS Associates

Chartered Accountants
Firm Registration No: 10520 N

for and on behalf of the Board of Directors

Sd/-
Mukesh Agrawal
(Partner)
M. No. 090582

Sd/-
J K Jain
(Director)

Sd/-
Pradeep Gupta
(Whole Time Director)

Sd/-
Bhanumati Ramchandran
(Company Secretary)

Place : NOIDA
Date : 1st September, 2010

Folio No.
(To be filled in by the Shareholder)



SURAJ INDUSTRIES LIMITED

PROXY FORM

I/We
of
being a member(s) of **SURAJ INDUSTRIES LIMITED**, hereby appoint
.....
of
or failing him/her of

as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on, the 30th day of September, 2010 at 3.30 P.M. and at any adjournment thereof. As witness my hand/our hands this day of 2010.

Affix
Re 1/-
Revenue
Stamp

DP-ID :

Client-ID:

Signed by the Said :

NOTE : The proxy must be deposited at the Registered Office of the Company at BSansarpur Terrace, Distt. Kangra, Himachal Pradesh, not less than 48 hours before the time of holding the Meeting.



SURAJ INDUSTRIES LIMITED

ATTENDANCE SLIP

18TH ANNUAL GENERAL MEETING

Time : 3.30 P.M., 30th day of September, 2010
Place : Sansarpur Terrace, Distt. Kangra, Himachal Pradesh

FULL NAME OF THE FIRST SHAREHOLDER

Joint Shareholders, if any

Father's/Husband's Name

Address in full

FULL NAME(S) OF THE PERSON ATTENDING THE MEETING AS A PROXY/SHAREHOLDER(S)
.....

I/We hereby record my/our presence at the 18th Annual General Meeting held on Thursday, the 30th day of September, 2010 at 3.30 P.M. at the Registered Office of the Company at Sansarpur Terrace, Distt. Kangra, Himachal Pradesh.

Folio No. / DP-ID :

Client-ID :

No. of Shares :

Signature(s).....

Members may please note that the Auditorium Authorities do not permit carrying of bags/articles/snack packets etc. inside the meeting hall. The Company will not make any arrangements for safe keeping of articles etc. outside the Hall. Members may make their own arrangements which shall be solely at their risk and cost and the Company will in no way be responsible for any loss/theft of articles etc.

BOOK POST

If undelivered, please return to :-



SURAJ INDUSTRIES LIMITED
Sansarpur Terrace, Distt. Kangra
Himachal Pradesh