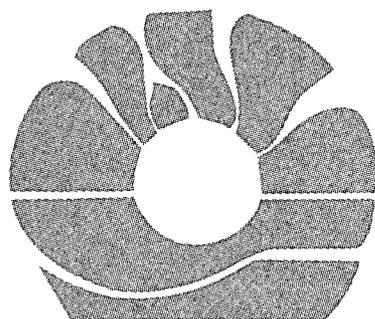


SURAJ INDUSTRIES LIMITED



15TH
ANNUAL REPORT
2006-2007



BOARD OF DIRECTORS

Chairman

Shri J.K. Jain

Whole Time Director

Shri Pradeep Gupta

Directors

Shri Sandeep Agrawal

Shri S.K. Jain

Shri Inder Mani Mittal

Company Secretary

Bhanumati Ramachandran

Bankers

Punjab National Bank

Auditors

M/s Tas Associates

Charatered Accountants

Registered Office

Sansarpur Terrace,

Distt. Kangra

Himachal Pradesh

Corporate Office

A-8, Ground Floor

Sector-19, Noida-201301

Share Transfer Agent

Beetal Financial & Computer Services (P) Ltd.

Beetal House,

3rd Floor, 99 Madangir

New Delhi-110062



NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Friday, the 28th day of September, 2007 at 2.30 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, 2007 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 J.K.Jain who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Gupta who retires by rotation and being eligible, offers himself for re-appointment.
4. 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

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

“Resolved that subject to the approval of the members in the General Meeting and pursuant to section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions if any of the companies act, 1956, the consent and approval of the company be and is hereby accorded to the re-appointment of Shri Pradeep Gupta as Whole Time Director of the company in accordance with schedules XIII of the companies act, 1956 to hold office for a period of two years w.e.f 29.4.2007 on a total monthly remuneration of Rs. 15,000/- per month plus benefits to be approved by a Remuneration Committee formed as per schedule XIII of the companies act with liberty to the Remuneration Committee/Board of Directors to alter and vary the terms and conditions of the said agreement and/or agreements so as not to exceed the limits specified therein, or in any amendments and/or modifications that may hereafter be made in schedule XIII and other applicable provision by the Central Government or as may be agreed between the Board of Directors and Shri Pradeep Gupta.

Resolved further that where in any financial year closing on and/after 1st April, 2007 the company has no profits or its profits are inadequate the company may pay Shri Pradeep Gupta by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the Board of Directors and Remuneration Committee and to be within limit specified under section II of part II of Schedule XIII of Companies Act.

Resolved further that the board of directors of the company be and are hereby authorised to take such steps as may be necessary to give effect to this resolution.”

6. To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

“Resolved that in supersession of the earlier resolution passed by members in the last Annual General Meeting of the company held on 25th August, 2006 pursuant to the provisions of section 17/149 2A and all other applicable provisions, if any, of the Companies Act, 1956, the resolution for amendment of the object clause by inserting new clause 50 to 59 in the other objects of object clause and for commencement of new business under section 149 (2A) of the companies act be and is hereby withdrawn. .

Resolved further that the board of directors of the company be and are here by authorised to take such steps as may be necessary to give effect to this resolution.”

SURAJ INDUSTRIES LIMITED



By Order of the Board
For SURAJ INDUSTRIES LIMITED
Sd/-
BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : NOIDA

Dated : 30th July, 2007

Registered Office:

Sansarpur Terrace,
Distt. Kangra,
Himachal Pradesh.

NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 & 6 as set out above are 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 Wednesday, 26th September, 2007 till Friday, the 28th September, 2007. (Both days inclusive).
- e) 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. 5 :

The Board of Directors in their meeting held on 30th April, 2007 re-appointed Shri Pradeep Gupta as Whole Time Director of the company subject to the approval of members in the General Meeting to hold the office for a period of two years w.e.f. 29.4.2007. The re-appointment of Shri Pradeep Gupta is in accordance of section 269 and schedule XIII of the companies act. Shri Pradeep Gupta, Whole Time Director shall be paid the remuneration of Rs. 15,000/- per month plus benefits as per details below :

- 1) Basic Salary Rs. 10,000/- P.M.
- 2) Other Allowances Rs. 5000/- P.M.
- 3) Perquisites: To be paid to Whole Time Director as mentioned below:
 - i) Company's Contributions to Provident Fund: As per Rules of the Company, but not exceeding 12% of the salary, as laid down in the Income Tax Rules, 1962.
 - ii) Medical Reimbursement for self and family :
Reimbursement of expense actually incurred, the total cost of which to the company shall not exceed one month Basic Salary in a year.
 - iii) Leave Travel Allowances: Actual Expenditure for proceeding on leave to any destination in India subject to maximum of one month basic salary in a year.
 - iv) Leased Accommodation will be provided by the Company to Whole Time Director.
 - v) Company's car will be provided for use for company's business. Use of car for private purpose will be billed by the Company.
 - vi) Telephone to be provided at Whole Time Director's residence and all rentals and expenses except personal long distance calls will be paid by the Company.



SURAJ INDUSTRIES LIMITED

Your Directors, therefore recommend the resolution set out at Item No.5 for your approval.

None of the Directors except Shri Pradeep Gupta is interested in the resolution.

ITEM NO 6

The members are hereby informed that in the last Annual General Meeting held on 25th August, 2006, the members had passed the resolutions for amendment in the object clause by inserting new sub clause 50 to 59 in the 'other objects' and for commencement of new business under section 149(2A) of the companies act,1956. The company has yet to obtain the approval of Registrar of companies under section 18 (1) of the companies act, 1956. The company has not started any business as mentioned in the new clause 50 to 59 and do not intend to start any business.

In view of this the approval of shareholder is solicited to consider to withdraw these resolutions and the same are to be treated as Null and Void.

Your Directors, therefore recommend the resolution set out at Item No.6 for your approval.

None of the Directors is interested in the resolution.

By Order of the Board
For **SURAJ INDUSTRIES LIMITED**
Sd/-
BHANUMATI RAMACHANDRAN
COMPANY SECRETARY

Place : NOIDA

Dated : 30th July, 2007

Registered Office:

Sansarpur Terrace,
Distt. Kangra,
Himachal Pradesh.

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

Shri J.K.Jain has done graduation in Commerce from Delhi University. Shri J.K.Jain has over 30 years of rich experience in Industry, Commerce and Business. He is associated with the company for the last 10 years and seeking his re-election as director of the company.

OTHER DIRECTORSHIP	Name of the Committee
Name of Company	Name of the Committee
Mohan Meakins Limited – Director	Suraj Industries Limited- Remuneration Committee- Chairman
Jain Motor Finance & Leasing (Pvt) Ltd.- Director	Suraj Industries Limited – Investor Grievance/Share Transfer Committee- Chairman
Acropolyners (P) Limited – Director	
Madhu Distributor (P) Ltd. – Director	

Shri Pradeep Gupta has over 20 years of rich experience in Industry, Commerce and Business and seeking his re-election as director of the company.

Other Directorship	Name of the Committee
Name of the Company	Name of the Committee
NIL	Suraj Industries Limited – Investor Grievance/Share Transfer Committee- Member



**DIRECTOR'S REPORT
TO THE MEMBERS,**

Your Directors have pleasure in presenting their Fifteenth Annual Report alongwith the Audited Statements of Account for the year ended 31st March, 2007.

FINANCIAL RESULTS :

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

	(Rs. in lacs)	
	2006-2007	2005-2006
Sales/Other Income	1.45	166.75
Profit/(Loss)before Depreciation	(63.76)	65.29
Depreciation	0.34	0.14
Profit/(Loss) before Extra Ord. Items	(64.10)	65.15
Extra-ordinary Items		
Inventory Written-off		3.11
Provision for Doubtful Debts	15.44	7.09
Bad Debts Written-Off		1.13
Prior Period items	(28.52)	
Loss on impairment & disposal of assets	(7.13)	200.61
Net Profit(Loss) for the year	(72.41)	(118.27)
Provision for taxation		
Fringe Benefit Tax/Income Tax	0.75	1.10
Net Profit/(Loss) after tax	(73.16)	(119.37)
Profit/(Loss) Brought Forward	(996.12)	(876.75)
Net Profit/(Loss) Carried to Balance Sheet	(1069.28)	(996.12)
Profit/(Loss)available for Appropriation	(1069.28)	(996.12)
APPROPRIATIONS		
Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(1069.28)	(996.12)

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 Exchanges for the financial year 2007-2008.

FINANCIAL POSITION :

Due to continuous losses there has been a gradual erosion in the capital employed in the unit. As a result the entire net worth of the company has been eroded. The company therefore had to resort to outside borrowings to clear the dues of the workers, staff, banks and financial institutions.

The company had accepted the Deposits from specified persons as per the stipulation of the Banks and there is no default in repayment of any deposit.

**OPERATIONS :**

Due to adverse market conditions in respect of Edible Oil industry in the State of Himachal Pradesh and resultant losses, the manufacturing activities at company's unit at Sansarpur Terrace were stopped in February, 2003. The Company again started the operations at the unit and once again suffered heavy losses and consequently the operations were again stopped in December, 2004.

In the mean time, looking at the intermittent running of the unit, the workers and staff of the unit expressed their desire to relinquish their job. The company accepted their resignations and cleared the dues of each of them during the last year. Thereafter the unit was lying closed. The future prospects of improvement in the market conditions in the State which could render the operations of the unit viable, looked bleak because substantial quantity of cheap Vanaspati was being dumped into India from Sri Lanka and Nepal which is adversely affecting the domestic industry. In view of this, the permission of the Shareholders was sought for the disposal of the assets of the company at its factory at Sansarpur Terrace, Distt. Kangra, H.P., which was duly received in the Extra Ordinary General Meeting of the company held on 23rd July, 2005 at the Registered Office. Thereafter assets of the company at the factory at Sansarpur Terrace are being disposed. The company is now focusing on other activities like marketing & distribution of Liquor.

DIRECTORS :

Shri J.K.Jain and Shri Pradeep Gupta Directors retires by rotation and being eligible, offers themselves 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:

- a. 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.
- b. 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 2006-2007 and of the loss 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. that they have prepared these accounts without following the going concern assumption, in so far as these relate to Vanaspati Segment of the Company.

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 S.K.Jain
3. Shri Inder Mani Mittal

This committee has reviewed the Accounts for the year ended March, 31st, 2007.

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, Financial Institutions, Customers, Employees and



SURAJ INDUSTRIES LIMITED

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, from 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 effected, would be within the limits prescribed u/s. 224(1-B) of the Companies Act, 1956.

AUDIT REPORT :

The observations of the Auditors in the audit report have been explained in the Notes to the Accounts, which are self explanatory. The company is making its sincere efforts to recover the amounts relating to allotment of shares against unrealised stock invests.

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),(2) 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. During the financial year 2006-2007, there was no manufacturing activities at the unit. So no information for the financial year 2006-2007 has been provided under this head.

PARTICULARS OF EMPLOYEES :

A statement showing particulars of employees required u/s. 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975 is annexed hereto as per Annexure and forms an integral part of the Report.

INDUSTRIAL RELATIONS :

The Industrial Relations have continued to be stable and harmonious during the course of the year. Your company has made sustained efforts to improve manpower productivity and employer-employee relations.

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 the Institutions, its bankers and Directorate of Vanaspati, Government of Himachal Pradesh and the local authorities. The Directors also express their thanks to the large number of customer and associates for their patronage.

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

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

Sd/-
(J.K. JAIN)
CHAIRMAN

Place : Noida
Dated : 30th July, 2007

**ANNEXURE TO DIRECTOR'S REPORT****ANNEXURE-I**

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, 2007 :

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 for the last three years.

II. TECHNOLOGY ABSORPTION :**RESEARCH & DEVELOPMENT**

There has been no manufacturing activity in the company for the last three years.

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

Earnings	-	Nil
Outgo	-	Rs.0.79 lacs against travelling expenses

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

Sd/-
(J.K. JAIN)
CHAIRMAN

Place : Noida
Dated : 30th July, 2007

ANNEXURE TO DIRECTOR'S REPORT**ANNEXURE-II**

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED MARCH 31ST 2007.

Sl. No.	Name	Age	Qualification	Designation/ Nature of Duties	Date of Commencement of Employment	Remuneration (Rs.)	Experience (Yrs.)	Last Employments Held & Name of the Organisation	Designation
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-NIL

For and on behalf of the Board
For Suaj Industries Limited

Sd/-
(J.K. Jain)
Chairman

Place: Noida
Date : 30th July, 2007



SURAJ INDUSTRIES LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

The company has exited from the Vanaspati/Refined oils business due to continuous losses resulting from adverse market conditions.

The company is now exploring the new avenues and in this direction the company has commenced business activities in liquor trade which is in line with the main objects as contained in the Memorandum and Articles of Association of the company.

FINANCIAL PERFORMANCE

The Gross Revenue of the company was Rs.1.44 lacs against Rs. 134.80 lacs last year. The company during this year incurred a net loss of Rs 73.16 Lacs as against loss of Rs. Rs.119.37 lacs last year.

FINANCE COST

The interest and financial charges for the year ended March 31, 2007 was Rs.0.23 lacs as against Rs. 5.96 lacs last year.

Share Capital of the company comprises of Equity Share Capital of Rs.733.31 lacs.

RSERVES AND SURPLUS

As on March 31, 2007 there was debit balance of Rs.1069.28 lacs in the Profit & Loss Account as against Rs. 996.12 lacs as on 31st March, 2006.

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.

HUMAN RESURCES

The true assets of the company are its manpower. The company recognizes and appreciates the contribution of the employees in its working.

ENVIRONMENT CONSCIOUSNESS

The company is environment conscious. It has got an effluent plant where the plant waste is treated before disposal.



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 believe in and have 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, 2007, Five Board meeting was held on 28th April, 2006, 29th June, 2006, 28th July, 2006, 31st October, 2006 and 30th January, 2007.

(b) Composition and Category of Board :

The Board of Directors as on March 31, 2007, 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 Directors, Four Non Executive Independent Directors. The constitution of Board, as on March 31, 2007 is given below:-

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2006	Attendance at last AGM
		Board	Committee			
			Member-ship	Chairman ship		
Shri J.K.Jain	Non Executive Independent Chairman	1	-	-	5	No
Shri Sandeep Agrawal	Non Executive Independent	2	1	1	5	Yes
Shri Pradeep Gupta	Executive Director	-	-	-	5	Yes
Shri S.K. Jain	Non Executive Independent	1	1	-	5	No
Shri Inder Mani Mittal	Non Executive Independent	1	1	-	5	No

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 the Audit Committee comprised of 3(three) Directors, namely Shri Sandeep Agrawal as Chairman, Shri S.K.Jain and Shri Inder Mani Mittal as its members.

The composition of Audit Committee as on March 31, 2007 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2005
Shri Sandeep Agrawal	Chairman	3
Shri S.K.Jain	Member	3
Shri Inder Mani Mittal	Member	3

Ms. Bhanumati Ramachandran, Company Secretary act 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, 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. The scope of the Committee includes inter alia, appointment, removal and compensation issues of key managerial personal of the Company. During the financial year the Remuneration Committee comprised of 2 (two) Non-



SURAJ INDUSTRIES LIMITED

Executive Independent Directors viz. Shri J.K.Jain, Chairman and Shri Sandeep Agrawal as Member.

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 Five Independent Directors, do not draw any remuneration from the company.

5. INVESTORS' GRIENANCE/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 Independent 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:-

Shri J.K. Jain	:	Chairman, Non-executive Independent Director
Shri Pradeep Gupta	:	Member, Non-executive Independent Director
Shri Sandeep Agrawal	:	Member, Non-executive Independent Director

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

DETAILS OF SHAREHOLDERS COMPLAINTS RECEIVED & REPLIED TO THE SATISFACTION OF SHAREHOLDERS

During the year 2006, the company received 10 complaints of shareholders, which were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint relating to year 2006.

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2004	Sansarpur TerraceDist. KangraHimachal Pradesh	30.9.2004	10 A.M
2005	Sansarpur TerraceDist. KangraHimachal Pradesh	30.9.2005	2.30 P.M
2006	Sansarpur TerraceDist. KangraHimachal Pradesh	25.08.2006	2.30 P.M

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. Thereafter the results are published in the leading newspapers, namely, The Indian Express (English) and "Dainik Tribune" (Hindi) published from Chandigarh.

9. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting
Date and Time : 28.9.2007 2.30 p.m.
Venue : Sansarpur Terrace
Dist. Kangra
Himachal Pradesh
- (b) Book closure date : 26.9.2007 to 28.9.2007
- (c) Dividend payment date : N.A
- (d) Stock Exchanges at which : The Stock Exchange, Mumbai
Shares of the Company are listed.
- (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

Beetal Financial & Computer Services (P) Ltd. Beetal House, 3rd Floor, 99, Madangir, New Delhi-110017.

(i) Share Transfer System

Transfers of shares in physical form are registered and dispatched within Three 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 Three weeks.

(j) Distribution of Shareholding as 31st March, 2007



No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	16637	99.02	1781160	24.08
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	2.20
50001 to 100000	3	0.02	25700	0.35
100001 to above	20	0.12	5316140	71.84
Grand Total	16801	100.00	7400000	100.00

Shareholding pattern as on March 31, 2007

S.No.	Category	No. of Shareheld	% of holding
A.	Promoters holding	2723040	36.80
B.	Non-promoters holding		
1	Institutional Investors- Banks	100	
2	Others		
i)	Body Corporates	654700	8.85
ii)	Indian Public	4022160	54.35
iii)	NRIs/OCBs		
	Sub-total (B)	4676860	63.20
	Grand Total	7400000	100.00

(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 thereafter applied to CSDL/NSDL for listing of shares. The conversion of company shares in dematerialisation has been declined by CSDL/NSDL.

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

Date and likely impact on Equity : Not Applicable

(m) Plant Location : Sansarpur Terramce_Distt.
Kangra,Himachal Pradesh.

Address for Investor correspondence : A-8, Sector 19, Noida (U.P.)
and for a any query on Annual Report



Corporate Governance Certificate

The Certificate dated 30th July , 2007 obtained from M/s. P.S. Soni & Co., 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 reviewed the compliance of the conditions of Corporate Governance by Suraj Industries Limited for the year ended on 31st March,2007, 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 as stipulated in the said clause. 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 is 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.

for **P.S. SONI & CO.**
Company Secretaries

Date : 30 07.2007
Place : Noida

Sd/-
(P.S.Soni)
Partner
CP-4599
FCS-2887

**AUDITOR'S REPORT****TO THE MEMBERS OF SURAJ INDUSTRIES LIMITED**

1. We have audited the attached Balance Sheet of Suraj Industries Limited as at March 31, 2007 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 Accounting 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 & 5 of part B of Schedule L. The manufacturing activities of vanaspati & refined oil by the company at its factory at Sansarpur Terrace were suspended from January 2005. The Company has disposed off major part of its plant and machineries including other assets at its above manufacturing facility. In view of the above, these accounts have been prepared without following the going concern assumption, in so far as these relate to Vanaspati Segment of the Company.*
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 issued by the Institute of Chartered Accountants of India and 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, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 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) Subject to note no. 1 of part B of Schedule L relating to allotment of shares against unrealised stock invest, and paragraph 4 above, in our opinion and to the best of our information and according to 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, 2007; 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

Sd/-

(SUBODH GUPTA)

Partner

M. No.: 087099

Place : Noida
Date : 29th June 2007



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, 2007.

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 for other than Vanaspati segment, 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. However, in respect of Vanaspati segment, the substantial part of the assets were under piecemeal disposal and having regard to the nature & size, physical verification was not actually required by the management.
 - c) During the year, all the fixed assets of the company's Vanaspati segment were 'Under piecemeal Disposal' due to suspension of manufacturing activities relating to vanaspati segment of the Company consequently the substantial part of the fixed assets has been disposed off during the year and therefore the going concern assumption gets affected in respect of the Vanaspati Segment of the company.
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 suspension of operations in the segment of Vanaspati and the financial position, the internal audit was not carried out by the company during the year. It was explained to us that for the liquor division, internal controls are exercised by MML (Refer Note no 6 to the Notes to the Accounts), no internal audit is required in the case of the company.*
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.



SURAJ INDUSTRIES LIMITED

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. However an amount of Rs. 419/- is due on account of Central Sales tax for more than six months as at end of the year.
- 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. 1069.29 lacs, which are more than fifty percent of its net worth as at March 31st 2007. It has incurred cash losses of Rs. 72.07 Lacs during the period covered by our audit and Rs. NIL lacs during the immediately preceding financial year.
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

Sd/-

(SUBODH GUPTA)

Partner

Place : Noida
Date : 29th June 2007

M. No.: 087099

SURAJ INDUSTRIES LIMITED



BALANCE SHEET AS AT 31ST MARCH 2007

SCHEDULES		As at 31.3.2007 Rs.	As at 31.3.2006 Rs.
I. SOURCES OF FUND			
1. SHARE HOLDERS FUNDS			
a) Share Capital	A	73331000	73331000
2. LOAN FUNDS			
a) Unsecured Loans	B	15954000	22354000
		<u>15954000</u>	<u>22354000</u>
		89285000	95685000
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
a) Gross Block	C	1459238	1459238
Less : Accumulated Depreciation		<u>47924</u>	<u>14191</u>
		1411314	1445047
2. ASSETS UNDER DISPOSAL			
(See note no. 2 of Schedule C)	D	520000	6068002
3. CURRENT ASSETS, LOANS & ADVANCES			
A) Current Assets			
Cash & Bank Balances		1509139	2865244
Sundry Debtors		-	2285992
B) Loans & Advances		<u>9282454</u>	<u>8374735</u>
		10791593	13525971
Less: CURRENT LIABILITIES & PROVISIONS			
	F	<u>30366407</u>	<u>24966160</u>
		(19574814)	(11440189)
4. PROFIT & LOSS ACCOUNT			
		<u>106928500</u>	<u>99612140</u>
		89285000	95685000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS **L**

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

for **TAS Associates**
(Chartered Accountants)

Sd/-
(SUBODH GUPTA)
(Partner)

Sd/-
(BHANUMATI RAMACHANDRAN)
Company Secretary

for and on behalf of the Board of Directors

Sd/-
(J.K. JAIN)
Director

Sd/-
(SANDEEPAGRAWAL)
Director

Place : Noida
Date : 29th June, 2007

Sd/-
(PRADEEP GUPTA)
Whole Time Director

SURAJ INDUSTRIES LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007

SCHEDULES		As at 31-3-2007 Rs.	As at 31-3-2006 Rs.
I. INCOME			
1. Sales			
- Vanaspati	-	3105734	
- Refined Oils	-	65062	
- By-Products	-	82751	
Less :- Excise duty paid	-	(4956)	
- Packing Materials & Consumables (Non Moving Stock)	-	1603700	4852291
2. Increase / (Decrease) in Stocks	G	-	(3196313)
3. Income From Liquor Division		-	9543371
4. Financial Services		-	1427000
5. Other Income.	H	144828	853431
		144828	13479780
II. EXPENDITURE			
1. Cost of Raw Material	I	-	2328212
2. Manufacturing, Administrative and other Overheads	J	3307724	4026386
3. Loss From Liquor Division		3190113	-
4. Financial Charges	K	22905	596189
5. Depreciation		33733	14191
		6554475	6964978
Profit/(Loss) before Extra-ordinary items		(6409647)	6514802
Extra-ordinary Items:			
Provision for Doubtful Debts (net of recovery)		1544828	708583
Loss on Impairment & Disposal of Assets (See Note 5 of Schedule L)		-	20060907
Reversal of Impairment Loss on fixed Assets		(713092)	-
Bad Debts Written-Off		-	113314
Inventory Written-Off		-	310760
Prior Period items		-	(2851740)
		(7241383)	(11827022)
III. Net Loss for the Year Before Tax			
IV. Provision for taxation:			
Taxes for Earlier Year		1160	-
Current Tax		-	-
Deferred Tax		-	-
Fringe Benefit Tax		73817	110000
		(7316360)	(11937022)
V. Net Loss after tax			
VI. Loss Brought Forward		(99612140)	(87675118)
VII. Net Loss Carried to Balance Sheet		(106928500)	(99612140)
VIII. Basic and Diluted Earning Per Equity Share:			
Before extra-ordinary items		(0.88)	0.87
After extra-ordinary items (refer note no.-16 of part B of Schedule 'L')		(1.00)	(1.63)

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS L

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

for TAS Associates
(Chartered Accountants)

Sd/-
(SUBODH GUPTA)
(Partner)

Sd/-
(BHANUMATI RAMACHANDRAN)
Company Secretary

for and on behalf of the Board of Directors

Sd/-
(J.K. JAIN) (SANDEEPAGRAWAL)
Director Director

M. No. 087099

Place : New Delhi
Date : 29th June, 2007

Sd/-
(PRADEEPGUPTA)
Whole Time Director



SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.3.2007 Rs.	As at 31.3.2006 Rs.
SCHEDULE - A: SHARE CAPITAL		
AUTHORISED		
10000000 Equity Shares of Rs. 10/- each .	<u>100000000</u>	<u>100000000</u>
ISSUED AND SUBSCRIBED		
7400000 Equity Shares (Previous Year 7400000) of Rs. 10/- each, fully called up.	<u>74000000</u>	<u>74000000</u>
	<u>74000000</u>	<u>74000000</u>
— PAID-UP		
7275700 Equity Shares (Previous Year 7275700) of Rs. 10/- each, fully paid-up	<u>72757000</u>	<u>72757000</u>
114000 Equity Shares (Previous Year 114000) of Rs. 10/- each. Rs. 5 Paid up	<u>570000</u>	<u>570000</u>
10300 Equity Shares (Previous Year 10300) of Rs. 10/- each. allotted against unrealised stock invests out of which 800 (Previous year 800) equity shares of Rs. 10/- each are paid-up @ Rs. 5/- each as allotment money.	<u>4000</u>	<u>4000</u>
<i>(Refer Note No. 1 of Part B of Schedule L)</i>	<u>73331000</u>	<u>73331000</u>
SCHEDULE -B: LOAN FUNDS		
UNSECURED LOANS		
- From Bodies Corporate	<u>13029000</u>	<u>19429000</u>
- From Others	<u>2925000</u>	<u>2925000</u>
	<u>15954000</u>	<u>22354000</u>

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

SCHEDULE - C : FIXED ASSETS

(RUPEES)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	As at 01.04.2006	Addition during the year	Deduction during the year	As at 31.3.2007	Upto 31.3.2006	For the year	Deduction during the year	Upto 31.3.2007	As at 31.3.2007	As at 31.3.2006
Lease Hold Land	842913	-	-	842913	-	-	-	-	842913	842913
Other Equip. & Appliances- Liquor Division	334200	-	-	334200	7390	15874	-	23264	310936	326810
Furniture & Fixtures - Liquor Division	282125	-	-	282125	6801	17859	-	24660	257465	275324
TOTAL CURRENT YEAR	1459238	-	-	1459238	14191	33733	-	47924	1411314	1445047
TOTAL PREVIOUS YEAR	118923742	616325	118080829	1459238	63841211	14191	63841211	14191	1445047	55082531

Note :

- I. The cost or estimated amount of Realisation on Disposal of remaining Assets, whichever is less, has been grouped as "Assets Under Disposal" under the head Assets under Disposal as per schedule D to the accounts. The excess of written down value over the estimated value of Realisation has been charged off as impairment loss in the accounts.





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

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE - D: ASSETS UNDER DISPOSAL		
(Cost or estimated realisable value as determined by management, which ever is less)		
- Plant & machinery	-	5408002
- Vehicle	400000	400000
- Furniture	25000	25000
- Other Equipment	80000	80000
- Electrical Installation	15000	155000
	<u>520000</u>	<u>6068002</u>
SCHEDULE - E: CURRENT ASSETS, LOANS AND ADVANCES		
A) CURRENT ASSETS		
1. INVENTORIES		
i) Loose Tools	-	95118
Less: Written off/discarded during the year	-	95118
ii) Stock in Trade		
- Packing Material	-	146780
- Consumables	-	163980
	-	310760
Less: Written off/discarded during the year	-	310760
	-	-
2. CASH AND BANK BALANCES		
i) Cash in Hand	260333	346989
ii) Balance with Scheduled banks		
- In Current Accounts	1248806	2518255
	<u>1509139</u>	<u>2865244</u>
3. SUNDRY DEBTORS		
<i>(Unsecured & considered good unless otherwise stated)</i>		
Less than six months	-	2285992
More than six months	2253411	708583
Less: Provision for Doubtful Debts	2253411	708583
	-	2285992
B) LOANS AND ADVANCES		
<i>(Unsecured and considered Good, unless otherwise stated)</i>		
i) Advances recoverable in cash or in kind or for value to be received	428008	4542602
ii) Share Application Money (7,78,307 equity shares of Rs 10/- each, to be fully paid up)	8369225	2700000
iii) Tax Deducted at Source	269129	844187
iv) Security and other Deposits	200000	200000
v) Staff Imprest & Advances	16092	87946
	<u>9282454</u>	<u>8374735</u>



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

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.
SCHEDULE - F: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
- Total dues to Small Scale Industrial Undertakings	-	-
(Refer Note no. 12(a) of Schedule L		
- Others	<u>25549114</u>	<u>16661686</u>
(Refer Note no. 12(b) of Schedule L		
Security Deposits	540000	540000
Interest payable on unsecured loans	172481	172481
Balance with Schedule Bank in current A/c	2594463	3653279
Other Liabilities	<u>1417532</u>	<u>3884644</u>
	30273590	24912090
PROVISIONS		
- Provision for Taxation	-	-
- Provision for Fringe Benefit Tax (Net of advance deposit)	73817	37070
- Provision for Gratuity	19000	17000
	<u>30366407</u>	<u>24966160</u>
SCHEDULE-G: INCREASE/(DECREASE) IN STOCKS		
Opening Stock		
Finished Products	-	3062510
Stock in Process	-	-
By Products	-	<u>133803</u>
Closing Stock	-	<u>-</u>
	-	<u>(3196313)</u>
SCHEDULE - H: OTHER INCOME		
Trade Interest Received (Gross, includes TDS Rs. NIL, Previous year Rs. 11615)	-	61336
Sale Of damaged stores & stock	55894	-
Interest on Tax Refund	69010	-
Balances Written off (Net)	19924	782900
Miscellaneous Income	-	9195
	<u>144828</u>	<u>853431</u>
SCHEDULE - I : COST OF RAW MATERIAL		
Packing Material *	-	937802
Consumables *	-	1390410
	-	<u>2328212</u>

* Represents cost of non moving items sold during the year.



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

	As at 31.03.2007 Rs.	As at 31.03.2006 Rs.	
SCHEDULE - J: MANUFACTURING, ADMINISTRATIVE AND OTHER OVERHEADS			
A) MANUFACTURING OVERHEADS			
Rates & Taxes	-	4024	
Repair & Maintenance:			
- Plant & Machinery	-	-	
- Others	<u>6700</u>	<u>18000</u>	22024
	6700		
B) ADMINISTRATIVE AND OTHER EXPENSES			
Salary, wages & other benefits	1402066	1397985	
Contribution towards provident and other funds	39397	39360	
Printing & Stationery	19206	33851	
Telephone & Postage	73383	471650	
Rent	500000	45000	
Tours & Travelling	452909	545785	
Legal, Professional & Consultancy	131550	288354	
Conveyance & Vehicle Maintenance	296315	395170	
Insurance	3064	45136	
Cost Audit Fees	-	10000	
Business Promotion Expenses	137356	89190	
Freight Outward	-	16967	
Advertisement & Publicity	85120	85672	
Brokerage & Commission	-	1526	
Discount & Rebates	-	16128	
Tools Discarded	-	95118	
Other Expenses	<u>160658</u>	<u>427470</u>	<u>4004362</u>
	3301024		
	<u><u>3307724</u></u>		<u><u>4026386</u></u>
SCHEDULE - K : FINANCIAL CHARGES			
Interest on:			
- Unsecured Loans	-	531881	
Bank Charges	<u>22905</u>	<u>64308</u>	
	22905	<u>596189</u>	

**SCHEDULE L: 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, on going concern assumption, in accordance with the applicable mandatory accounting standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.

(Since the company has discontinued its operations for Vanaspati segment and is in the process of disposing off whole of its plant and machineries, the present accounts have been made without following going concern assumption, in so far as these relate to Vanaspati segment of the Company.)

2. RECOGNITION OF INCOME AND EXPENDITURE:

Revenues/Incomes and Cost/Expenditures are generally 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) Company's contribution to provident fund and pension fund is charged off to profit and loss account.
- ii) Till the previous year ended 31.3.2006 the Company's policy in respect of contribution to gratuity was as under:

"In respect of Gratuity the yearly contribution to the Group Gratuity Scheme of Life Insurance Corporation of India is charged off to profit and loss account".

In view of limited remaining operations & number of employees, during the year the Company has changed the above policy as follows:

"Provision for Gratuity is provided on the assumption that all the eligible employees retire on the balance sheet date."

However the above change doesn't have any material effect on the current year's results.

- iii) Leave encashment is accounted for on accrual basis, on the assumption that all eligible employees retire on the Balance sheet date.

4. FIXED ASSETS

- i) Fixed Assets are stated at cost, less accumulated depreciation other than 'Leasehold Land', where no amortization is made.

(Since substantial part of plant and machinery are being disposed off in piecemeal, the aggregates of written down value over the estimated net realizable value, of all the fixed assets (except Land) at the beginning of the financial year, have been shown under the head 'Loss on Impairment of Assets'. Some of the parts of fixed assets (except Land), which have been disposed off after the balance sheet date and/or are in negotiation stage have been carried at estimated net realizable value under the head 'Fixed Assets Under Disposal'. Any remaining loss or profit on disposal of the same shall be recognized at the end of the disposal process. For the purpose of estimating the net realizable value, reliance has been placed on the actual physical realisation, whether during the year or afterwards.)

- ii) Capital work in progress is capitalized as fixed assets on the date of commissioning of the asset.

5. METHOD OF DEPRECIATION AND AMORTISATION:

- 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 upto 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 upto 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.
(Since the assets of the Vanaspati division are under disposal, no depreciation for the year is provided on those assets)
- 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.

5 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.

6. RESEARCH AND DEVELOPMENT

Revenue expenditure including overheads on Research and Development is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure, which results in the creation of capital assets, is taken to Fixed Assets and depreciation is provided on such assets as are depreciable.

7. STATE SUBSIDIES :

- i) Capital subsidies 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.
- ii) Various subsidies, other than capital subsidies, have been reduced from the respective expenditure heads.

8. 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.

9. 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 alongwith the segment results.



SURAJ INDUSTRIES LIMITED

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. Out of these shares, the company has to still receive a sum of Rs. 99,000 as on 31.03.2007 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 31.03.2007.
3. The balances of Sundry Debtors, Sundry Creditors, Loans & Advances are subject to reconciliation and confirmation from some of the parties.
4. The Net worth of the Company has completely been eroded due to accumulated losses. The company has been reviewing its operations under the broad three segments viz. (i) Manufacturing of Vanaspati; (ii) Liquor and (iii) Financial Services. The operating activities of the company relating to Vanaspati segment, at its factory at Sansarpur Terrace, were suspended from January 2005. No manufacturing activities took place during the year under review. In view of discontinuing operations relating to Vanaspati segment, these accounts have been prepared without 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.
5. On July 29, 2005, the board of directors announced a plan to dispose off Company's Vanaspati Division, which is a separate major business segment as per AS – 17 on 'Segment Reporting'. The disposal was considered by the management to be prudent in view of the continuing losses incurred by the Company over several years and its renewed long-term strategy to focus its activities in the areas of manufacture, marketing and distribution of liquor. To comply with the requirements of Accounting Standard – 24 on 'Discontinuing Operation', the company is disclosing the following information, in so far as it relates to discontinued business segment.
 - a) The company has discontinued its operation relating to Vanaspati manufacturing segment w.e.f. 29.07.2005. The substantial fixed assets, having gross book value(Cost) of Rs. 1189.23 Lacs were identified under discontinued operations during the financial year 2005-2006.
 - b) The management estimated that the discontinuance shall be completed by disposal of assets, other than Land, within a period of 12 months and of Land within a period of 24 months.
 - c) The carrying amount of all the assets,(including assets under disposal) as estimated to be realizable by the management as on balance sheet date was Rs. 16.84 Lacs (Previous year Rs. 152.32 Lacs) and its liabilities were Rs. 173.55 Lacs (Previous year Rs. 310.71 Lacs).
 - d) 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, as distinct from other operations of the company.
 - e) Since substantial part of plant and machinery of the company has been disposed off in piecemeal, the aggregates of written down value over the estimated net realizable value, of all the fixed assets (except Land) at the beginning of the financial year, have been shown under the head 'Loss on Impairment of Assets'. Some of the parts of fixed assets (except Land), which have been disposed off after the balance sheet date and/or are in negotiation stage have been carried at estimated net realizable value under the head 'Fixed Assets Under Disposal'. Any remaining actual loss or profit on disposal of the same shall be recognized at the end of the disposal process. For the purpose of estimating the net realizable value, emphasis has been placed on the actual physical realisation, whether during the year or afterwards.
6. The Company entered into an agreement on 01.04.2004 with M/s. Mohan Meakins Ltd. (MML) for managing the Distillery & Bottling operation of Liquor at their factory at Lucknow. Under the said arrangement, any



Profit or Loss arising for the said liquor operation at Lucknow factory remaining after the assured return as per agreement to MML, accrues to the account of the Company. During the year under report the company has incurred a gross loss of Rs. 31.90 Lacs, (P.Y. Profit of Rs. 95.43 Lacs) which has been appropriately disclosed in the profit & loss account. Accordingly, other expenses incurred by the company in relation to supervision & control of the said operation have been accounted and disclosed under the appropriate head of expenses in the profit & loss account.

7. AUDITORS REMUNERATION:

	2006-2007	2005-2006
	(Rs.)	(Rs.)
Audit fees	40000	40000
Tax Audit fees	10000	10000
Reimbursements of Expenses	780	270
Certification (including service tax)	12580	6120
	<u>63360</u>	<u>56390</u>

8. MANAGERIAL REMUNERATION

	2006-2007	2005-2006
	(Rs.)	(Rs.)
Salary to a Whole Time Director	221627	166000
Directors Sitting Fees	Nil	Nil
	<u>221627</u>	<u>166000</u>

9. Particulars in respect of Capacities, Production, Stocks and Sales.
(Manufacturing Operations-Vanaspati Segment)

Class of goods	Installed Capacity	Opening Stock		Actual Production		Closing Stock		Sales	
		Qty. (M.T)	Value (Rs.lacs)	Qty. (M.T)	Qty. (M.T.)	Value (Rs.lacs)	Qty. (M.T.)	Value (Rs.lacs)	
Vanaspati /Refined Oil	28875	-	-	-	-	-	-	-	-
<i>Previous Year</i>	28875	73.888	30.63	Nil	Nil	Nil	73.888	31.71	

Figures

- a) The installed capacity is as per preceding year, which no longer relevant as the substantial plant & machineries were being sold during the year.
- b) Sales quantity includes loss in transit/shortages/samples.

10. ANALYSIS OF RAW MATERIAL CONSUMED
(Manufacturing Operations- Vanaspati Segment)

Class of Goods	Unit	Current Year		Previous Year	
		Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)
Oils	MT	-	-	-	-
Packing Material	-	-	-	-	9.38
Consumables	-	-	-	-	13.90
Total					23.28

- Previous year figure represents Cost of Non moving items sold.



SURAJ INDUSTRIES LIMITED

11. Value of imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total consumption: Nil (Previous year Nil)
12. 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.
13. Detail of Segment Reporting:

(Rs. in Lacs)

	2006-2007					2005-2006				
	Vanaspati/ Refined Oil	Liquor Services	Financial cable	Unallo cable	Total	Vanaspati	Liquor	Financial Services	Unallo cable	Total
Gross Segment Revenue	0.76	0	0	0.69	1.45	56.49	95.43	14.27	—	166.19
Less: Inter Segment Adjustment	—	—	—	—	—	—	—	—	—	—
Net Segment Revenue	0.76	0	0	0.69	1.45	56.49	95.43	14.27	—	166.19
Segment Results: Segment result before interest & tax	(17.62)	(53.72)	—	(8.20)	(79.54)	4.01	77.17	9.50	(3.64)	87.04
Less : interest Expenses	—	—	—	—	—	5.31	—	—	—	5.31
Add : interest Income	—	—	—	—	—	0.61	—	—	—	0.61
Less: Loss on Discardment of Assets	(7.13)	—	—	—	(7.13)	200.61	—	—	—	200.61
Profit before tax	(10.49)	(53.72)	—	(8.20)	(72.41)	(201.30)	77.17	9.50	(3.64)	(118.27)
Tax Expenses	—	—	—	(0.75)	(0.75)	—	—	—	1.10	1.10
Net profit after tax	(10.49)	(53.72)	—	(8.95)	(73.16)	(201.30)	77.17	9.50	(4.74)	(119.37)
Other information:										
Segment Assets	16.84	96.05	—	14.33	127.22	152.32	58.00	0.07	—	210.39
Segment Liabilities	173.55	284.03	—	5.62	463.20	310.71	162.49	—	—	473.20
Capital Expenditure	—	—	—	—	—	—	6.16	—	—	6.16
Depreciation	—	0.33	—	—	0.33	—	0.14	—	—	0.14

Notes:

a) Business Segment:

The company has entered into an agreement with Mohan Meaken Limited (MML) for managing the distillery & bottling operation of liquor at their factory at Lucknow. Accordingly the company's major business segments have been classified as Vanaspati / Refined Oil and Liquor. Company is however, intermittently rendering financial services, which has also been identified as separate segment. These business segregation forms the basis for review of operating performance by the management.

The Vanaspati / Refined Oil segment comprises of Vanaspati Ghee, and various types of edible Refined Oil.

The Liquor Segment comprises of distillery & bottling operation at MML factory at Lucknow and sales promotion of products manufactured by MML.

The financial services comprises of non-fund based activities, broking, advisory etc.



- b) The accounting policies of the segments are the same, to the extent applicable, as those described in the summary of significant accounting policies as referred to in part 'A' of Schedule 'L' to the accounts along with the following additional policies.
- i) Revenue & expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses, which relate to the company as a whole and are not allocable to a segment on reasonable basis, have been disclosed as 'Unallocable'.
 - ii) Segment assets and liabilities represent assets and liabilities in respective segments. Tax related assets, and other assets and liabilities that are not reported or cannot be allocated to a segment on a reasonable basis, have been disclosed as 'Unallocable'.

14. Related Party Disclosures

- a) Names of Related Parties and description of Relationship, with whom transactions have taken place during the year:
- i) Associates: Suraj Solvent & Vanaspati Industries Ltd.
 - ii) Key Managerial Personnel:
 - a) Mr. Pradeep Gupta Whole Time Director
 - b) Mr. Ritesh Gupta President
- 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:

(Rs. in Lacs)

	2006-2007		2005-2006	
	Associate	Key Managerial Personnel	Associate	Key Managerial Personnel
Sale of Assets	2.32		21.97	
Sale of Brand			130.00	
Royalty received for use of Brand			23.11	
Expenditure				
a) Directors' remuneration		2.22		1.66
b) Salary and perquisites		3.07		3.07

15. Deferred Tax:

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

(Rs. in lacs)

	2006-2007	2005-2006
<u>Deferred Tax Liabilities</u>		
I Fixed Assets	00.00	30.74
Total	00.00	30.74
<u>Deferred Tax Assets</u>		
Fixed Assets	25.48	
Provision for Gratuity, Bonus & Leave Encashment	0.24	0.24
Provision for doubtful debts	2.33	2.38
Unadjusted long term capital loss	—	—
Unabsorbed depreciation and business losses as per IT	291.76	265.12
Total	319.81	267.74
Accumulated Net Deferred Tax (Assets) / Liability	319.81	237.00
Net deferred tax Assets for the year	82.81	40.83

SURAJ INDUSTRIES LIMITED



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.

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

	2006-2007	2005-2006
Profit/(Loss) before Extra-ordinary items	(6484624)	6404802
Profit/(Loss) after Extra-ordinary items	(7316360)	(11937022)
Weighted Average No. of Equity Shares of Rs. 10 each	7333100	7333100
Basic & diluted EPS (before extra-ordinary items)	(0.88)	0.87
Basic & diluted EPS (after extra-ordinary items)	(1.00)	(1.63)
17. Expenditure in Foreign Currency	Current Year	Last Year
- Travelling Expenses	0.79	.0.89

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

Sd/-
(SUBODH GUPTA)
(Partner)

Sd/-
(BHANUMATI RAMACHANDRAN)
Company Secretary

Sd/-
(J.K. JAIN)
Director

Sd/-
(SANDEEPAGRAWAL)
Director

Place : Noida
Date : 29th June, 2007

Sd/-
(PRADEEPGUPTA)
Whole Time Director



17. INFORMATION PURSUANT TO PART IV OF SCHEDULE-VI OF COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		1	6	7	9	1
--	--	---	---	---	---	---

State Code

0	6
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	7
---	---	---	---

Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands) Nil

Public Issue

							N	I	L
--	--	--	--	--	--	--	---	---	---

Rights Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousand)

Total Liabilities

						8	9	2	8	5
--	--	--	--	--	--	---	---	---	---	---

Total Assets

						8	9	2	8	5
--	--	--	--	--	--	---	---	---	---	---

Source of Funds
Paid-up Capital

						7	3	3	3	1
--	--	--	--	--	--	---	---	---	---	---

Reserve & Surplus

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Secured Loans

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Unsecured Loans

										1	5	9	5	4
--	--	--	--	--	--	--	--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

										1	4	1	1
--	--	--	--	--	--	--	--	--	--	---	---	---	---

Assets Under Disposal

														5	2	0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

										(1	9	5	7	5)
--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---	---

Investment

																0
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---

Accumulated Losses

																1	0	6	9	2	9
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---	---	---	---

Miscellaneous Expenditure

																			N	I	L
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---	---



IV. Performance of the Company

Turnover	Total Expenditure																				
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						1	4	5													
						7	3	8	6												
Profit/(Loss) Before Tax	Profit (Loss) After Tax																				
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				(7	2	4	1)												
				(7	3	1	6)												
Earning per Share in Rs.	Dividend Rate %																				
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">(</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">.</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">)</td> </tr> </table>					(1	.	0	0)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">N</td> <td style="width: 20px; height: 20px; text-align: center;">I</td> <td style="width: 20px; height: 20px; text-align: center;">L</td> </tr> </table>							N	I	L	
				(1	.	0	0)												
						N	I	L													

V. Generic Names of Three Principal Products/Services of Company

	Vanapati & Refined Oil										
Item Code No. (I.T.C. Code)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>			1	5	1	6	2	0	0	9
		1	5	1	6	2	0	0	9		
Product Description	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">V</td> <td style="width: 20px; height: 20px; text-align: center;">a</td> <td style="width: 20px; height: 20px; text-align: center;">n</td> <td style="width: 20px; height: 20px; text-align: center;">a</td> <td style="width: 20px; height: 20px; text-align: center;">s</td> <td style="width: 20px; height: 20px; text-align: center;">p</td> <td style="width: 20px; height: 20px; text-align: center;">a</td> <td style="width: 20px; height: 20px; text-align: center;">t</td> <td style="width: 20px; height: 20px; text-align: center;">i</td> </tr> </table>		V	a	n	a	s	p	a	t	i
	V	a	n	a	s	p	a	t	i		
Item Code No.	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">5</td> <td style="width: 20px; height: 20px; text-align: center;">1</td> <td style="width: 20px; height: 20px; text-align: center;">6</td> <td style="width: 20px; height: 20px; text-align: center;">2</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">0</td> <td style="width: 20px; height: 20px; text-align: center;">9</td> </tr> </table>			1	5	1	6	2	0	0	9
		1	5	1	6	2	0	0	9		
Product Description	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20px; height: 20px; text-align: center;">R</td> <td style="width: 20px; height: 20px; text-align: center;">e</td> <td style="width: 20px; height: 20px; text-align: center;">f</td> <td style="width: 20px; height: 20px; text-align: center;">i</td> <td style="width: 20px; height: 20px; text-align: center;">n</td> <td style="width: 20px; height: 20px; text-align: center;">e</td> <td style="width: 20px; height: 20px; text-align: center;">d</td> <td style="width: 20px; height: 20px; text-align: center;">O</td> <td style="width: 20px; height: 20px; text-align: center;">i</td> <td style="width: 20px; height: 20px; text-align: center;">l</td> </tr> </table>	R	e	f	i	n	e	d	O	i	l
R	e	f	i	n	e	d	O	i	l		

Sd/- (SUBODH GUPTA) (Partner)	Sd/- (BHANUMATI RAMACHANDRAN) Company Secretary	Sd/- (J.K. JAIN) Director	Sd/- (SANDEEPAGRAWAL) Director
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Place : Noida
Date : 29th June, 2007

Sd/-
(PRADEEPGUPTA)
Whole Time Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2007

	<u>2006-2007</u>	<u>2005-2006</u>
(Rs. in lacs)		
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary Items	(64.10)	65.15
Adjustment for:		
Depreciation	0.34	0.14
Interest Expenses	<u>0.00</u>	<u>5.32</u>
	0.34	5.46
Operating Profit before Working Capital Changes	(63.76)	70.61
Adjustment for:		
Inventories	0.00	59.30
Trade & Other Receivables	70.47	(35.50)
Trade Payables & Other Liabilities	<u>54.00</u>	<u>16.97</u>
	124.47	40.77
Cash Generated from Operations	60.71	111.38
Less : Profit on Sale of Fixed Assets	0.00	0.00
Less : Interest Paid	<u>0.00</u>	<u>(5.32)</u>
Cash Flow before Extraordinary Items	60.71	106.06
Extraordinary Items	(15.46)	17.19
Provision for Tax	<u>(0.74)</u>	<u>(1.10)</u>
Net Cash from Operating Activities.....A	<u>44.51</u>	<u>122.15</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	0.00	(6.16)
- Investment Made	(56.69)	(27.00)
- Sale of Fixed Assets	62.61	151.12
- Sale of Brand	<u>0.00</u>	<u>130.00</u>
Net Cash from Investing Activities.....B	<u>5.92</u>	<u>247.96</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
i) Increase in Share Capital	0.00	0.00
ii) Borrowings (Net)	(64.00)	(331.71)
iii) Increase / (Decrease) in Working Capital Loan	<u>0.00</u>	<u>(15.94)</u>
Net Cash from Financing Activities.....C	<u>(64.00)</u>	<u>(347.65)</u>
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(13.57)	22.46
Opening Cash & Cash Equivalents as at 01.04.2006	28.66	6.20
Closing Cash & Cash Equivalents as at 31.03.2007	15.09	28.66

NOTE : Figures in Brackets represent outflows.

for TAS Associates
(Chartered Accountants)

for and on behalf of the Board of Directors

Sd/-
(SUBODH GUPTA)
(Partner)

Sd/-
(BHANUMATI RAMACHANDRAN)
Company Secretary

Sd/-
(J.K. JAIN)
Director

Sd/-
(SANDEEPAGRAWAL)
Director

Place : Noida
Date : 29th June, 2007

Sd/-
(PRADEEPGUPTA)
Whole Time Director



SURAJ INDUSTRIES LIMITED

Registered Office : Sansarpur Terrace,
Distt. Kangra, Himachal Pradesh

PROXY FORM

Reg. Folio No.
I/We
of
being member / members of the above named company hereby appoint
of or failing him
our proxy to vote for my/our behalf at the FIFTEENTH ANNUAL GENERAL MEETING of the
Company to held at on
the day 2007 at
and at any adjournment thereof.

Affix 100
paise
revenue
stamp

Date :

.....
Signature of the Members

Note : proxies must reach the Company's Registered Office not less than 48 hours before the meeting.

----- Tear Here -----

SURAJ INDUSTRIES LIMITED

Attendance Slip

To be handed over at the entrance of the Meeting Hall

Name of the Attending Member (in Block Letters)	Member's Account Number / Registered Folio
Name of the proxy (in block letters) To be filled in if the Proxy attends Instead of the Members	

No. of Shares held

I hereby record my presence
at the FIFTEENTH ANNUAL GENERAL
MEETING at

.....
Member's/proxy's Signature
(To be signed at the time of
handing over this slip)

Note : The copy of the Annual Report may please be brought to the Meeting Hall.

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