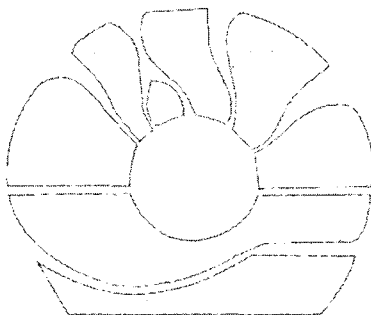


SURAJ INDUSTRIES LIMITED



17TH
ANNUAL REPORT
2008-2009



BOARD OF DIRECTORS

Chairman	Shri J K Jain
Whole Time Director	Shri Pradeep Gupta
Directors	Shri Sandeep Agrawal Shri Inder Mani Mittal
Company Secretary	Bhanumati Ramachandran
Bankers	Punjab National Bank
Auditors	M/s. Tas Associates Chartered Accountants
Registered Office	Sansarpur Terrace, Distt. Kangra Himachal Pradesh
Corporate Office	B-19, First Floor, Sector-8, Noida-201301
Share Transfer Agent	Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3 rd Floor, 99, Madangir, New Delhi - 110062



SURAJ INDUSTRIES LIMITED

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Suraj Industries Ltd. will be held on Wednesday, the 30th day of September, 2009 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, 2009 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 year w.e.f 30.4.2009 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. A draft copy of agreement whereof is placed before this meeting and is hereby specifically sanctioned 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, 2009 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.”

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

Place : Noida
Dated : 31st July 2009

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



SURAJ INDUSTRIES LIMITED

NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business item 5 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 Tuesday, 29th September 2009 till Wednesday, the 30th September 2009. (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 NOS :

The Board of Directors in their meeting held on 30th April, 2009 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 year w.e.f. 29.4.2009. 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 of the Company, 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.

The copy of the agreement signed between the Whole Time Director and the company regarding the terms and conditions of employment of Whole Time Director is available for the inspection of the members at the Registered Office of the company between 10.00 A.M. to 1.00 P.M. on all working days except Saturday up to the date of Annual General Meeting of the company.

Your Directors, therefore recommend the resolution set out at Item No.7 for your approval.

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

By Order of the Board

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

Place : Noida

Dated : 31st July 2009

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

Shri J.K.Jain has over 40 years experience in industry, commerce & business. He is associated with the company since last 13 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) Mohan Meakin Limited	1. Suraj Industries Ltd. -
b) Globus Industries and Services Limited	a) Investors' Grievance/Share Transfer Committee- Chairman
	b) Remuneration Committee - Member
	c) Audit Committee- Member

Shri Pradeep Gupta has over 20 years experience in industry, commerce & business. He 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
Nil	1. Suraj Industries Ltd. -
	a) Investors' Grievance/Share Transfer Committee- Member



DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Seventeenth Annual Report along with the Audited Statements of Account for the year ended 31st March 2009.

FINANCIAL RESULTS :

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

	(Rs. in lacs)	
	<u>2008-2009</u>	<u>2007-2008</u>
Other Income	33.32	52.55
Profit/(Loss) before Depreciation	19.93	35.75
Depreciation	0.34	0.34
Profit/(Loss) before Extra Ord. Items	19.59	35.41
<u>Extra-ordinary Items</u>		
Loss on impairment & disposal of assets	NIL	5.20
Net Profit/(Loss) for the year before tax	19.59	30.21
<u>Provision for taxation</u>		
Fringe Benefit Tax/Income Tax	0.06	0.17
Net Profit/(Loss) after tax	19.53	30.04
Profit/(Loss) Brought Forward	(1039.25)	(1069.28)
Net Profit/(Loss) Carried to Balance Sheet	(1019.72)	(1039.25)
Profit/(Loss) available for Appropriation	(1019.72)	(1039.25)
APPROPRIATIONS		
Dividend	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	(1019.72)	(1039.25)

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 2009-2010.

FINANCIAL POSITION :

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.

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.



SURAJ INDUSTRIES LIMITED

DIRECTORS :

Shri J.K.Jain and Sri Pradeep Gupta, Directors retire by rotation and being eligible, offer 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 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 47354/- & Rs 8928/- respectively, instead of as prescribed under AS-15 (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.
- b. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2008-2009 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 & 5 of part B of Schedule J to the Accounts, the 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.

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 Inder Mani Mittal
3. Shri J. K. Jain*

** Shri J. K. Jain has been nominated as member of Audit Committee on 30.4.2009 in the meeting of Board of Directors held on 30.4.2009 after the resignation of Shri S. K. from directorship of the company on 30.4.2009*

This committee has reviewed the Accounts for the year ended March 31, 2009.

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 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 recommend their re-appointment. The company has received the requisite



SURAJ INDUSTRIES LIMITED

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 Auditors in their report have invited reference to note no 4&5 of part B of Schedule J (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 accounts of the company have been drawn without following the going concern assumption.

Since the company did not have any continuing business operations 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), (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 2008-2009, the manufacturing activities at the unit were suspended. So no information for the financial year 2008-2009 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.

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. 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 its bankers, Government of Himachal Pradesh and the local authorities.

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

For and on behalf of the Board
For SURAJ INDUSTRIES LIMITED

Sd/-

(J.K. JAIN)
CHAIRMAN

Place : Noida
Dated : 31st July 2009



SURAJ INDUSTRIES LIMITED

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-I

INFORMATION AS PER SECTION 217(D)(e) READ WITH THE COMPANIES 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, 2009 :

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)

CHAIRMAN

Place : Noida

Dated : 31st July 2009

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 2009.

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

-NIL

For and on behalf of the Board

For Suaj Industries Limited

Sd/-

(J.K. Jain)

Chairman

Place : Noida

Date : 31st July, 2009



SURAJ INDUSTRIES LIMITED

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.33.32 lacs against Rs. 52.55 lacs last year. The company during this year earned a net profit of Rs 19.54 Lacs as against a net profit of Rs 30.04 lacs last year.

FINANCE COST

The financial charges for the year ended March 31, 2009 was Rs.0.19 lacs as against Rs 0.08 lacs last year.

RESERVES AND SURPLUS

As on March 31, 2009 there was debit balance of Rs.1019.71 lacs in the Profit & Loss Account as against Rs. 1039.25 lacs as on 31st March, 2008.

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 RESOURCES

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.



SURAJ INDUSTRIES LIMITED

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, 2009, six Board meeting was held on 30th April, 2008, 26th June 2008, 30th June 2008, 31st July 2008, 31st October 2008 and 31st January 2009.

(b) Composition and Category of Board :

The Board of Directors as on March 31, 2009, 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, 2009 is given below:-

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2009	Attendance at last AGM
		Board	Committee			
			Member-ship	Chairman ship		
Shri J.K. Jain	Non Executive Independent Chairman	1	-	-	6	No
Shri S.K Jain	Non Executive Independent	1	1	-	4	No
Shri Inder Mani Mittal	Non Executive Independent	1	1	1	6	No
Shri Pradeep Gupta	Independent Executive Director	-	-	-	6	Yes
Shri Sandeep Agrawal	Non Executive Independent	2	1	1	6	yes

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

3. AUDIT COMMITTEE

The Company had constituted an Audit Committee in the year January 2001. The Constitution of Audit Committee meets the requirements under Section 292 A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. During the year the Audit Committee comprised of 3(three) Directors, namely Shri



SURAJ INDUSTRIES LIMITED

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, 2009 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2008-09
Shri Sandeep Agrawal	Chairman	3
Shri S.K Jain	Member	3
Shri Inder Mani Mittal	Member	3

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 with 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 or 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 by the Board.

4. REMUNERATION COMMITTEE

The Board of Directors in their meeting held on April 27, 2002 constituted the Remuneration Committee comprising 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



SURAJ INDUSTRIES LIMITED

the requirement under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. As on March 31, 2009, the Committee comprises of 2 (two) Non-Executive 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 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 Inder Mani Mittal | : | Member, Non-executive Director |
| (3) Shri Sandeep Agrawal | : | Member, Non-executive 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 financial year 2008-09, the company did not received any complaints of shareholders. There is no pending complaint relating to financial year 2008-09.

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2006	Sansarpur Terrace Dist. Kangra Himachal Pradesh	25.9.2006	2.30 PM
2007	Sansarpur Terrace Dist. Kangra Himachal Pradesh	28.9.2007	2.30 PM
2008	Sansarpur Terrace Dist. Kangra Himachal Pradesh	30.9.2008	2.30 PM

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 or 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), "Divya Hiamachal"(Hindi) and "Jansatta" (Hindi).

9. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting

Date and Time : 30.9.2009 3.30 P.M.
Venue : Sansarpur Terrace
Dist. Kangra
Himachal Pradesh

- (b) Book closure date : 29.9.2009 to 30.9.2009

- (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

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 within 3 weeks.

- (j) Distribution of Shareholding as 31st March, 2009



SURAJ INDUSTRIES LIMITED

No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	16628	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	16789	100	7400000	100

Shareholding pattern as on March 31, 2009

S.No.	Category	No. of Shareheld	% of holding
A.	Promoters holding	2723040	36.80
B.	<u>Non-promoters holding</u>		
1	Institutional Investors- Banks		
2	<u>Others</u>		
i)	Body Corporates	739800	10.00
ii)	Indian Public	3937160	53.20
iii)	NRIs/OCBs		
	Sub-total (B)	4676960	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 : B-19, Sector - 8

and for a any query on annual report : Noida, (UP)



SURAJ INDUSTRIES LIMITED

Corporate Governance Certificate

The Certificate dated July 31, 2009 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

I have reviewed the compliance of the conditions of Corporate Governance by Suraj Industries Limited for the year ended on 31st March, 2009, 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. My 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 statements of the company.

In my opinion and to the best of my information and according to the explanations given to me, and based on the representations made by the Directors and the Management, I certify that the company has complied with the conditions of Corporate governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

I 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.

Gurmeet Singh Khurana
Company Secretary in Whole Time Practice
CP No.-7981

Date : 31.7.2009

Place : NOIDA



SURAJ INDUSTRIES LIMITED

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, 2009 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&5 of part B of Schedule J 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, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 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, 2009; and
 - II. in the case of the Profit and Loss Account, of the profit 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
(Mukesh Agrawal)
Partner
M. No.: 090582

Place: NOIDA
Date: July 31, 2009



SURAJ INDUSTRIES LIMITED

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, 2009.

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, which may affect the going concern assumption as these accounts are prepared without following the going concern assumption.
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 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 except i) an amount of Rs.907/- on account of



SURAJ INDUSTRIES LIMITED

Provident fund outstanding as at close of the year which has since been deposited by the company with the authorities. ii) an amount of Rs. 419/- is due on account of Central Sales tax.

- 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. 1019.71 lacs, which are more than fifty percent of its net worth as at March 31st 2009. It has not incurred cash losses during the year and in the preceding 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.
 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/-
(Mukesh Agrawal)
Partner
M. No.: 090582

Place: NOIDA
Date: July 31, 2009



SURAJ INDUSTRIES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2009

	SCHEDULES	As at 31.3.2009		As at 31.3.2008	
		Rs.		Rs.	
I. SOURCES OF FUND					
1. SHARE HOLDERS' FUNDS					
Share Capital	A		73,430,000		73,430,000
2. LOAN FUNDS					
Unsecured Loans	B			15,454,000	15,454,000
		14,154,000	14,154,000		
			87,584,000		88,884,000
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	C			1,459,238	
Less : Accumulated Depreciation		1,459,238		81,657	
		115,392			
			1,343,846		1,377,581
2. ASSETS UNDER DISPOSAL					
3. CURRENT ASSETS, LOANS & ADVANCES					
A) Current Assets					
Cash & Bank Balances		238,635		310,753	
Sundry Debtors					
B) Other Current Assets		99,000		99,000	
C) Loans & Advances		3,362,203		5,731,350	
		3,699,838		6,141,103	
Less: CURRENT LIABILITIES	F	19,368,692		22,518,502	
PROVISIONS		62,182		41,000	
			(15,731,036)		(16,418,399)
4. PROFIT & LOSS ACCOUNT					
			101,971,190		103,924,818
			87,584,000		88,884,000

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS J

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

for TAS Associates
(Chartered Accountants)

Sd/-

Mukesh Agrawal
Partner
M. No. 090582

for and on behalf of the Board of Directors

Sd/-

(Bhanumati Ramachandran)
Company Secretary

Sd/-

(Pradeep Gupta)
Whole Time Director

Sd/-

(J K Jain)
Director

Sd/-

(Sandeep Agrawal)
Director

Place : NOIDA
Date : 31.07.2009

SURAJ INDUSTRIES LIMITED



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

SCHEDULES		31-3-2009 Rs.	©31-3-2008 Rs.
I.	INCOME		
1.	Income From Liquor Division	-	5,052,657
2.	Other Income	3,331,972	202,195
		3,331,972	5,254,852
II.	EXPENDITURE		
1.	Manufacturing, Administrative and other Overheads	1,319,526	1,672,657
2.	Bad Debts Written-Off	-	2,253,411
	Less: Provision already made	-	2,253,411
3.	Financial Charges	19,184	7,798
4.	Depreciation	33,734	33,733
		1,372,444	1,714,188
	Profit/(Loss) before Extra-ordinary items	1,959,528	3,540,664
	Extra-ordinary Items:		
	Loss on Impairment & Disposal of Assets (See note no - 5 of part A of schedule J)	-	520,000
III.	Net Profit/ (Loss) for the Year Before Tax	1,959,528	3,020,664
IV.	Provision for taxation:		
	Taxes Earlier Year	-	(3,018)
	Current Tax	-	-
	Deferred Tax	-	-
	Fringe Benefit Tax	5,900	20,000
V.	Net Profit/ (Loss) after tax	1,953,628	3,003,682
VI.	Loss Brought Forward	103,924,818	106,928,500
VII.	Net Loss Carried to Balance Sheet	101,971,190	103,924,818
VIII.	Basic and Diluted Earning Per Equity Share:		
	Before extra-ordinary items	0.27	0.48
	After extra-ordinary items	0.27	0.41
	(See note no.-14 of part B of Schedule 'J')		
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS			
	J		

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

for TAS Associates
(Chartered Accountants)

Sd/-

Mukesh Agrawal
Partner
M. No. 090582

for and on behalf of the Board of Directors

Sd/-

(Bhanumati Ramachandran)
Company Secretary

Sd/-

(Pradeep Gupta)
Whole Time Director

Sd/-

(J K Jain)
Director

Sd/-

(Sandeep Agrawal)
Director

Place : NOIDA
Date : 31.07.2009



SURAJ INDUSTRIES LIMITED

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

	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE - A: SHARE CAPITAL		
AUTHORISED		
10000000 Equity Shares of Rs. 10/- each .	<u>100000000</u>	<u>100000000</u>
10000000 Equity Shares of Rs. 10/- each .	<u>100,000,000</u>	<u>100,000,000</u>
ISSUED AND SUBSCRIBED		
7400000 Equity Shares of Rs. 10/-each fully called up	<u>74,000,000</u>	<u>74,000,000</u>
	<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	<u>72,860,000</u>	<u>72,860,000</u>
114000 Equity Shares (Previous Year 114000) of Rs. 10/- each. Rs. 5 Paid up	<u>570,000</u>	<u>570,000</u>
	<u>73,430,000</u>	<u>73,430,000</u>
SCHEDULE -B: LOAN FUNDS		
UNSECURED LOANS		
- From Bodies Corporate	<u>13,729,000</u>	<u>12,529,000</u>
- From Others	<u>425,000</u>	<u>2,925,000</u>
	<u>14,154,000</u>	<u>15,454,000</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE - C : FIXED ASSETS

(RUPEES)

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2008	Addition during the year	Deduction during the year	As at 31.3.2009	Upto 31.3.2008	For the year	Deduction during the year	Upto 31.3.2009	As at 31.3.2009	As at 31.3.2008
Lease Hold Land	842,913	-	-	842,913	-	-	-	-	842,913	842,913
Other Equip. & Appliances	334,200	-	-	334,200	39,139	15,875	-	55,014	279,186	295,062
Furniture & Fixtures	282,125	-	-	282,125	42,519	17,859	-	60,378	221,747	239,606
TOTAL CURRENT YEAR	1,459,238	-	-	1,459,238	81,658	33,734	-	115,392	1,343,846	1,377,581
TOTAL PREVIOUS YEAR	1,459,238	-	-	1,459,238	47,924	33,733	-	81,657	1,377,581	1,411,314

SURAJ INDUSTRIES LIMITED





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

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - D: ASSETS UNDER DISPOSAL		
(Cost or estimated realisable value as determined by management, which ever is less)		
-Vehicle	400,000	
-Furniture	25,000	
-Other Equipment	80,000	
-Electrical Installation	15,000	
	<u> </u>	<u> </u>
	-	520,000
Less :- Impairment of Assets on Estimation	-	520,000
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>
SCHEDULE - E: CURRENT ASSETS, LOANS & ADVANCES		
A. CURRENT ASSETS		
1. CASH AND BANK BALANCES		
i) Cash in Hand	207,343	236,074
ii) Balance with Scheduled banks		
- In Current Accounts	31,292	74,679
	<u>238,635</u>	<u>310,753</u>
B. OTHER CURRENT ASSETS		
Unrealised Stock Invest	99,000	99,000
<i>(Refer Note No. 1 of Part B of Schedule J)</i>	<u>99,000</u>	<u>99,000</u>
C. 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	100,000	100,452
ii) Share Application Money	2,718,074	5,081,225
iii) Tax Deducted at Source	269,129	269,129
iv) Staff Imprest & Advances	-	5,544
v) Sales Tax deposited	275,000	275,000
	<u>3,362,203</u>	<u>5,731,350</u>



SURAJ INDUSTRIES LIMITED

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

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
SCHEDULE - F: CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
Sundry Creditors		
- Total dues to Micro & Small Enterprises		
(Refer Note no. 10 (a) of Schedule J)		
- Total dues to Other than Micro & Small Enterprises	18,533,599	20,741,710
(Refer Note no. 10 (b) of Schedule J)		
Security Deposits	500,000	500,000
Interest payable on unsecured loans	-	172,481
Other Liabilities	323,113	1,090,170
Statutory Dues Payable	11,980	14,141
	19,368,692	22,518,502
PROVISIONS		
- Provision for Taxation	-	-
- Provision for Fringe Benefit Tax (Net of advance deposit)	5,900	20,000
- Provision for Retirement benefits	56,282	21,000
	62,182	41,000
SCHEDULE-G: OTHER INCOME		
Debts No longer payable (Net)	3,331,972	201,795
Miscellaneous Income	-	400
	3,331,972	202,195

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

	31.03.2009 Rs.	31.03.2008 Rs.
SCHEDULE - H: MANUFACTURING ADMINISTRATIVE AND OTHER OVERHEADS		
A) ADMINISTRATIVE AND OTHER EXPENSES		
Salary, wages & other benefits (Including prior year Rs. NIL, P/Y Rs.12070/-)	505,084	749,637
Contribution towards provident and other funds	20,070	34,997
Printing & Stationery	11,690	9,170
Telephone & Postage	35,986	11,194
Rent	-	190,000
Tours & Travelling	21,194	70,911
Legal, Professional & Consultancy	441,742	133,866
Conveyance & Vehicle Maintenance	29,715	133,557
Insurance	-	52,067
Auditor's Remuneration	44,120	61,798
Business Promotion Expenses	7,532	7,719
Advertisement & Publicity	137,280	78,660
Donation	-	50,000
Other Expenses	65,113	89,081
	<u>1,319,526</u>	<u>1,672,657</u>
	<u>1,319,526</u>	<u>1,672,657</u>

SCHEDULE - I: FINANCIAL CHARGES

Bank Charges	19,184	7,798
	<u>19,184</u>	<u>7,798</u>



SURAJ INDUSTRIES LIMITED

SURAJ INDUSTRIES LIMITED

SCHEDULE J: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

(Consequent to discontinued operations, some of the policy stated herein have become redundant and might not have been applied in these accounts.)

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 mandatory accounting standards as specified under Companies (Accounting Standards) Rules 2006.

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. [See notes 4 & 5 of Part B]

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.

(The company has changed its policy for providing liability for Gratuity and Leave encashment to its employees on actuarial basis from company's earlier policy for accounting gratuity in respect of all employees in relation to their period of service, irrespective of their actual eligibility.)

4. FIXED ASSETS

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



SURAJ INDUSTRIES LIMITED

- 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. INCOMETAX:

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



SURAJ INDUSTRIES LIMITED

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 require 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 31.03.2009 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 31.03.2009.
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:

<u>Particulars</u>	<u>Vanaspati Division</u>	<u>Liquor Division</u>
a) Effective Date of Discontinuance	29.07.2005	31.08.2007
b) Gross Value of Fixed Asset at cost	Rs. 1189.23 Lacs	Rs. NIL
c) Estimated Time of Completion of discontinuance & disposal of fixed assets	12 months	-
d) Carrying amount of all the assets including fixed assets as at b/s date	Rs. 10.11 Lacs	Rs. 32.89 Lacs
e) Estimated realizable value of assets as at b/s date	Rs. 10.11 Lacs	Rs. 32.89 Lacs
f) Carrying amount of all the Liabilities as at b/s date.	Rs. 149.69 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.
5. With the closure of all the business segments as mentioned in para 4 above, 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.



SURAJ INDUSTRIES LIMITED

6. AUDITORS REMUNERATION:

	2008-2009 (Rs.)	2007-2008 (Rs.)
Audit fees	40,000.00	40,000.00
Tax Audit fees	—	10,000.00
Reimbursements of Expenses	—	—
Certification	—	5,000.00
Service Tax	4,120.00	6,798.00
	<u>44,120.00</u>	<u>61,798.00</u>

7. MANAGERIAL REMUNERATION

	2008-2009 (Rs.)	2007-2008 (Rs.)
Salary to a Whole Time Director	2,00,000.00	1,99,292.00
Directors Sitting Fees	Nil	Nil
	<u>2,00,000.00</u>	<u>1,99,292.00</u>

8. 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 manufacturing operations suspended and discontinued by the company in earlier years.

9. Disclosure for Gratuity and Leave Benefit Plans:

The company has a defined benefit gratuity plan. The present value of obligation is determined based on actuarial valuation using the projected unit method, which recognizes each period of service as giving rise to additional unit of employee benefit Entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

i) Changes in the present value of the defined benefit obligation are as follows (Rs):

Particulars	Gratuity 2008-2009	Leave Encashment 2008-2009
Opening defined benefit obligation	30044	2962
Interest cost	2103	207
Current service cost	2669	470
Actual return on plan assets	—	—
Benefits paid	—	—
Actuarial (gain)/loss on obligation	(709)	2667
Closing defined benefit obligation	34107	6306

(ii) Changes in the fair value of plan assets are as follows (Rs):

Particulars	Gratuity 2008-2009	Leave Encashment 2008-2009
Opening fair value of plan assets	—	—
Expected return	—	—
Contributions by employer	—	—
Benefits paid	—	—
Actuarial gain/(losses)	—	—
Closing fair value of plan assets	—	—



SURAJ INDUSTRIES LIMITED

(iii) Net employee benefit expense for debited to Profit & Loss account (Rs):

Particulars	Gratuity 2008-2009	Leave Encashment 2008-2009
Current service cost	2669	470
Interest cost	2103	207
Expected return on plan assets	—	—
Actuarial (gain) / loss	(709)	2667
Net (benefit) / expense	4063	3344
Actual return on plan assets	—	—

(iv) Details of provision for Employees Benefits (Rs.)

Particulars	Gratuity 2008-2009	Leave Encashment 2008-2009
Defined benefit obligation	34107	6306
Total value of provident fund contribution on closing liability	—	—
Fair value of plan assets	—	—
Less: Unrecognized past service cost	—	—
Plan (Liability)/ Asset	—	—

Actuarial Assumptions

Particulars	Gratuity 2008-2009	Leave Encashment 2008-2009
Mortality table (LIC)	LIC(1994-96)	LIC(1994-96)
Discount rate	7%	7%
Expected rate of return on plan assets	—	—
Rate of escalation in salary per annum	4.50%	4.50%
Employee turnover up to 30 years	3%	3%
Above 30 years but up to 44 years	2%	2%
Above 44 years	1%	1%

The estimates of future salary increase considered in actuarial valuation take into account the inflation, seniority, promotion and other relevant factors such as demand in the employment market and supply.

Note: In these accounts liability on account of the gratuity & leave encashment, have been accounted for on actual liability on the balance sheet date, amounting to Rs 47354/- & Rs 8928/- respectively, instead of as prescribed under AS-15 as stated in above tables. Since the company's going concern assumption is not followed in these accounts, the concept of actuarial valuation cannot be applied in the circumstances.

Defined Contribution Plan

	2008-2009	(Rs.) 2007-2008
Defined contribution plan and Family & Pension Contribution to Provident Fund	20,070	34,997
	20,070	34,997

10. 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.
11. 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.



12. 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:
 a) Mr. Pradeep Gupta Whole Time Director
 b) Mr. Ritesh Gupta President (Resigned wef 01.12.2007)
- 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)	
	<u>2008-2009</u>	<u>2007-2008</u>
	Key Managerial Personnel	Key Managerial Personnel
<u>Assets :</u>		
Balance Payable	—	0.21
<u>Expenditure</u>		
a) Directors' remuneration	2.00	1.99
b) Salary and perquisites	—	2.00

13. Deferred Tax:

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

	<u>2008-2009</u>	<u>2007-2008</u>
<u>Deferred Tax Liabilities</u>		
Fixed Assets	0.67	—
Total	<u>0.67</u>	<u>—</u>
<u>Deferred Tax Assets</u>		
Fixed Assets	—	22.85
Provision for Gratuity, Bonus & Leave Encashment	0.36	0.24
Provision for doubtful debts	—	7.58
Unabsorbed depreciation and business losses as per IT	271.02	293.89
Total	<u>271.38</u>	<u>324.56</u>
Accumulated Net Deferred Tax Assets	270.71	324.56

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.

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

	<u>2008-2009</u>	<u>2007-2008</u>
Profit/(Loss) before Extra-ordinary items	1953628	3,523,682
Profit/(Loss) after Extra-ordinary items	1953628	3,003,682
Weighted Average No. of Equity Shares of Rs. 10 each	7,333,100	7,333,100
Basic & diluted EPS (before extra-ordinary items)	0.27	0.48
Basic & diluted EPS (after extra-ordinary items)	0.27	0.41

15. Expenditure in Foreign Currency (Rs in Lacs)

- Travelling Expenses Nil (Previous Year Nil)

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

Sd/-	Sd/-	Sd/-	Sd/-
(Bhanumati Ramachandran)	(J K Jain)	(Sandeep Agrawal)	(Pradeep Gupta)
Company Secretary	Director	Director	Whole Time Director

Place : NOIDA
 Date : July 31, 2009



SURAJ INDUSTRIES LIMITED

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	9
---	---	---	---

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	7	5	8	4
--	--	--	--	--	---	---	---	---	---

Total Assets

					8	7	5	8	4
--	--	--	--	--	---	---	---	---	---

Source of Funds
Paid-up Capital

					7	3	4	3	0
--	--	--	--	--	---	---	---	---	---

Reserve & Surplus

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

Secured Loans

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

Unsecured Loans

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

Application of Funds

Net Fixed Assets

					1	3	4	4
--	--	--	--	--	---	---	---	---

Assets Under Disposal

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

Net Current Assets

		(1	5	7	3	1)
--	--	---	---	---	---	---	---	---

Investment

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

Accumulated Losses

			1	0	1	9	7	1
--	--	--	---	---	---	---	---	---

Miscellaneous Expenditure

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



SURAJ INDUSTRIES LIMITED

IV. Performance of the Company

Turnover									
						3	3	3	2

Total Expenditure									
						1	3	7	2

Profit/(Loss) Before Tax									
						1	9	6	0

Profit (Loss) After Tax									
						1	9	5	4

Earning per Share in Rs.									
						0	2	7	

Dividend Rate %									
							N	I	L

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

Vanaspati & Refined Oil

Item Code No. (I.T.C. Code)			1	5	1	6	2	0	0	9
-----------------------------	--	--	---	---	---	---	---	---	---	---

Product Description	V	a	n	a	s	p	a	t	i
---------------------	---	---	---	---	---	---	---	---	---

Item Code No.			1	5	1	6	2	0	0	9
---------------	--	--	---	---	---	---	---	---	---	---

Product Description	R	e	f	i	n	e	d	O	i	l
---------------------	---	---	---	---	---	---	---	---	---	---

for TAS Associates
(Chartered Accountants)

For and on behalf of the Board of Directors

Sd/-
Mukesh Agrawal
Partner

Sd/-
(Bhanumati Ramachandran)
Company Secretary

Sd/-
(Pradeep Gupta)
Whole Time Director

Place : NOIDA
Date : 31.07.2009

Sd/-
(J K Jain)
Director

Sd/-
(Sandeep Agrawal)
Director



SURAJ INDUSTRIES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009

(Rs. in lacs)

	2008-2009	2007-2008
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	1,959,528	3,020,664
Adjustment for:		
Depreciation	33,734	33,733
Interest Expenses	-	-
Provision for Gratuity & Other benefits	35,282	2,000
Operating Profit before Working Capital Changes	69,016	35,733
Adjustment for:		
Inventories	-	-
Trade & Other Receivables	5,996	2,516,514
Trade Payables & Other Liabilities	(3,149,810)	(3,143,814)
Cash Generated from Operations	(1,115,269)	5,572,911
Less : Profit on Sale of Fixed Assets	-	-
Less: Reversal of provision for debts	-	(2,253,411)
Less : Interest Paid	-	-
Cash Flow before Extraordinary Items	(1,115,269)	3,319,500
Extraordinary Items	-	520,000
Excess Provision written back	-	-
Provision for Tax	(20,000)	(70,798)
Net Cash from Operating Activities.....A	(1,135,269)	3,768,702
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	-	-
- Investment Made	2,363,151	3,288,000
- Sale of Fixed Assets	-	-
- Sale of Brand	-	-
Net Cash from Investing Activities.....B	2,363,151	3,288,000
C) CASH FLOW FROM FINANCING ACTIVITIES		
i) Increase in Share Capital	-	-
ii) Borrowings (Net)	(1,300,000)	(500,000)
iii) Increase / (Decrease) in Working Capital Loan	-	-
Net Cash from Financing Activities.....C	(1,300,000)	(500,000)
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(72,118)	6,556,702
Opening Cash & Cash Equivalents	310,753	1,509,139
Closing Cash & Cash Equivalents	238,635	310,753

NOTE: Figures in Brackets represent outflows.

for TAS Associates

(Chartered Accountants)

For and on behalf of the Board of Directors

Sd/-
Mukesh Agrawal
Partner

Sd/-
(Bhanumati Ramachandran)
Company Secretary

Sd/-
(Pradeep Gupta)
Whole Time Director

Place : NOIDA
Date : 31.07.2009

Sd/-
(J K Jain)
Director

Sd/-
(Sandeep Agrawal)
Director



SURAJ INDUSTRIES LIMITED

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 SEVENTEENTH ANNUAL GENERAL MEETING of the
Company to held at on
the day 2009 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 SEVENTEENTH 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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