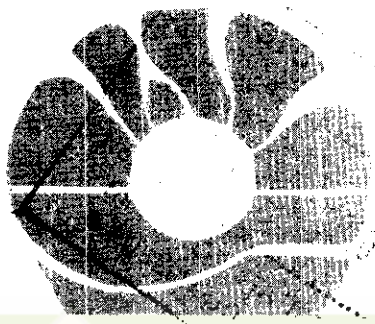




SURAJ VANASPATI LIMITED



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**11TH
ANNUAL REPORT
1999 2000.**

**SURAJ VANASPATI LIMITED**

BOARD OF DIRECTORS

Chairman Shri Inder Lal Jain

Managing Director Shri Suraj Gupta

Whole Time Directors Shri Deepak Jain
Shri Atul Jain

Directors Shri J.K. Jain
Smt. Anita Gupta
Shri Shailesh Gupta
Shri Hardyal Doegar
Shri O.P. Arora
Shri Parmod Arora

**Dy. General Manager (Corp. Affairs)
& Company Secretary** Shri G.S. Khurana

Bankers Punjab National Bank

Auditors M/s. Tas Associates

Registered Office A-26, UPSIDC Industrial Area,
Sikandrabad,
Distt. Bulandshahr, U.P.

Corporate Office G-321, Chirag Delhi
New Delhi - 110 017.



SURAJ VANASPATI LIMITED

NOTICE

Notice is hereby given that the Eleventh Annual General Meeting of the members of Suraj Vanaspati Limited will be held on Thursday, the 28th December, 2000 at 9.30 A.M. at the Registered Office of the Company at A-26, UPSIDC Industrial Area, Sikandrabad, Distt. Bulandshahr (U.P.) to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2000 and the Profit & Loss Account for the year ended on that date and report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Shailesh Gupta who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Smt. Anita Gupta who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Inder Lal Jain who retires by rotation and being eligible, offers himself for re-appointment.
5. 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

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

"Resolved that Shri O.P Arora who was appointed as an Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until this Annual General Meeting be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"Resolved that Shri Parmod Arora who was appointed as Additional Director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until this Annual General Meeting be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

8. To consider and, if thought fit, to pass with or without modification the following resolution as an Special Resolution :

"Resolved that due to erosion of more than 100% of the Net Worth of the company as at the year ended 30.6.2000 the company has become a Sick Industrial Company in terms of section 3(1)(0) of the Sick Industries Companies (Special Provisions) act 1985, the company has therefore comes under the purview of Board of Industrial & Financial Reconstruction (BIFR).

Resolved further that the action of the Board of Directors for making reference under section 15(1) of Sick Industries Companies (Special Provisions) act, 1985 to the office of BIFR before finalisation of Annual Accounts at the Annual General Meeting be and is hereby ratified."

By Order of the Board
For SURAJ VANASPATI LIMITED

Sd/-

(G.S. Khurana)

Dy. General Manager (Corp.-Affairs)
& Company Secretary

Place : New Delhi
Dated : 14.11.2000



SURAJ VANASPATI LIMITED

NOTES :

- a) The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 6 to 8 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) The Register of Members and Share Transfer Book, of the company will remain closed from Tuesday, the 26th December, 2000, till Thursday, the 28th December, 2000. (Both days inclusive).
- d) Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
- e) Members are requested to notify immediately any change in their address, quoting folio numbers to the Company.
- f) Members are requested to notify that M/s Beetal Financial & Computer Services (P) Ltd. are no longer the Share Transfer Agent of the company. Any correspondence relating to transfer of share/change of address may please be sent to the Corporate/Registered Office of the Company.
- g) Members are requested to notify that the Corporate Office of the company has been shifted to G-321, Chirag Delhi, New Delhi - 110 017.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 6 :

The Board of Directors appointed Shri O.P. Arora as additional Director of the Company in accordance with Article 80 of the Articles of Association of the Company and section 260 of the Companies Act, 1956. The Company has received a notice from the shareholder of the company alongwith Rs.500/- proposing his candidature for the office of Director.

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

Shri O.P. Arora and Shri Parmod Arora, Directors are interested in the resolution.

ITEM NO. 7 :

The Board of Directors appointed Shri Parmod Arora as additional Director of the Company in accordance with Article 80 of the Articles of Association of the Company and section 260 of the Companies Act, 1956. The Company has received a notice from the shareholder of the company alongwith Rs.500/- proposing his candidature for the office of Director.

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

Shri Parmod Arora and Shri O.P. Arora, Directors are interested in the resolution.

ITEM NO. 8 :

The members may note that the company was incorporated on 2nd August, 1989. The accumulated losses of the company for the year ended 30.6.2000 are more than its Net Worth and because of this the company has become a Sick Industrial Company in terms of Sick Industrial Companies (Special Provision) act, 1985 (SICA). Section 15(1)(ii) of Sick Industrial Companies (Special Provisions) Act 1985 provide that the Board of Directors of the company are to file a reference to the office of Board of Industrial & Financial Reconstruction (BIFR) even before the duly audited accounts finalisation within sixty days of formation of opinion that the company has become a Sick Industrial Company within the meaning of Section 3(1)(O) of SICA. The Board of Directors of your company are taking the necessary steps to file a reference to the office of BIFR before the finalisation of Annual Accounts at the Annual Genral Meeting. The members are requested to consider to ratify the act of the Board of Directors for making reference to BIFR under section 15(1)(ii) of SICA.

Your Directors recommend the resolution set out at Item No.8 of the notice for the approval of the shareholders.

None of the directors are interested or concerned in the resolution.

By Order of the Board
For SURAJ VANASPATI LIMITED

Sd/-

(G.S. Khurana)

Dy. General Manager (Corp. Affairs)
& Company Secretary

Place : New Delhi
Dated : 14.11.2000



SURAJ VANASPATI LIMITED

DIRECTOR'S REPORT

TO THE MEMBERS,

Your Directors have pleasure in presenting their Eleventh Annual Report alongwith the Audited Statements of Account for the year ended 30th June, 2000.

FINANCIAL RESULTS :

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

	Year ended 30th June, 2000	(Rs. in lacs) Year ended 30th June, 1999
Sales	11933.56	14645.94
Gross Profit/(Loss)	15.15	172.43
Financial Charges	302.10	220.87
Depreciation	86.34	84.84
Loss on Sale of Investment/Assets	-	0.23
Prior Period Expenses	90.90	-
Provision for Diminution in value of Investment	35.00	-
Net Profit (Loss) for the year	(499.19)	(133.51)
Net Profit available for Appropriation	-	-
APPROPRIATIONS		
Dividend	-	-
Transfer to General Reserve	-	-
Balance Carried to Balance Sheet	(1039.18)	(539.99)

DIVIDEND :

In view of Company's Financial Results, the Directors are unable to recommend any dividend.

OPERATIONS :

During the year under review the capacity utilization of the company increased from 68% to 77%. However, due to sluggishness in the Vanaspati trade consequent to excessive imports of refined oils and also due to inadequate working capital, the company despite higher capacity utilization has incurred higher losses as compared to last year.

FINANCIAL POSITION

During the year under review, there has been a 100% erosion in the net worth of the company. As such the company has become a Sick Industrial Company in terms of Section 3(1)(0) of the Sick Industrial Companies (Special Provision) Act, 1985 (SICA). Accordingly, a reference u/s 15(1)(ii) of the SICA shall be made to the Board of Industrial & Financial Reconstruction. The Auditors of the company have also given a similar observation in the Annexure to their Audit Report.

FIXED DEPOSITS :

The company has not accepted any Fixed Deposits from the Public during the year under report.

DIRECTORS :

Shri O.P.Arora, Shri Parmod Arora were co-opted to the Board as Additional Directors and hold office till the ensuing Annual General Meeting. The company has received the Notices under Section 257 of the Companies Act, 1956 from members of the company for the appointment of Shri O.P. Arora and Shri Parmod Arora, as regular Directors.



SURAJ VANASPATI LIMITED

Shri Shailesh Gupta, Smt. Anita Gupta & Shri I.L. Jain retire by rotation and being eligible offer themselves for re-appointment.

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 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 :

Due to inadequacy of Profit for the year, no provision has been made for Debenture Redemption Reserve. Further, the Company is pursuing for realizing the Debts which have been considered doubtful. Because of this no provision has so far been made.

INSURANCE :

All the insurable interest of the Company including inventories, buildings and plant & machinery under legislative enactments are adequately insured.

DISCLOSURE OF PARTICULARS :

As required by the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, the relevant information and data is given in Annexure-I to this 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.

As required under the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (particulars of Employees) Rules, 1957, as amended, the names and other particulars of the employees are set out in Annexure-II hereto forming part of this report.

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 financial institution viz., IDBI its bankers Punjab National Bank, Directorate of Vanaspati, Bureau of Indian Standards, Government of Uttar Pradesh and the local authorities.

The Directors also express their thanks to the large number of customers and associate 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 at all levels which enables your company to make all round progress.

For and on behalf of the Board
For SURAJ VANASPATI LIMITED

Place : New Delhi
Dated : 14.11.2000

Sd/-
(I.L. JAIN)
Chairman



SURAJ VANASPATI LIMITED

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE-I

INFORMATION AS PER SECTION 217(I)(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 30TH JUNE, 2000 :

I. CONSERVATION OF ENERGY :

- a) Plate Heat Exchanger has been installed to improve the efficiency of Refrigeration plant, consequently reducing the cooling time for Vanaspati.
- b) Steam condensate is being used in boiler resulting its saving in consumption of rice husk.
- c) Water recovery system has been installed to re-circulate waste water through cooling tower resulting in saving of water and power.
- d) Details of total energy consumption and energy consumption per unit of production as per Form 'A' are given hereunder :

	YEAR ENDED 30.06.2000	YEAR ENDED 30.3.1999
POWER AND FUEL CONSUMPTION :		
1. Electricity		
a) Purchased		
Units (KWH)	7312740	9173360
Total Amount (Rs. lacs)	317.31	407.49
Rate/Unit (Rs.)	4.34	4.44
b) Own Generation		
Through Diesel Generator	N.A.	N.A.
Units	N.A.	N.A.
Units Per Litre of Diesel Oil	N.A.	N.A.
Cost/Unit	N.A.	N.A.
Through Steam Turbine/Generator Units	N.A.	N.A.
Units Per Litre of Fuel	N.A.	N.A.
Oil/Gas	N.A.	N.A.
Cost/Unit	N.A.	N.A.
2. Coal (Specify quantity and where used)	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others/Internal Generation		
i) De-oiled Rice Husk (for Boiler)		
Quantity (M.T.)	11463.75	11646.75
Total Cost (Rs. Lacs)	148.78	133.75
Rate/Unit (Rs.)	1297.80	1148.42
ii) Diesel & Other		
Quantity Litres	311908	232800.00
Total Cost (Rs. Lacs)	37.67	21.26
Average Rate (Rs.)	12.08	9.13


SURAJ VANASPATI LIMITED

5. Consumption per Unit (M.T.) of production		
Production (Tonnes)	37951.519	33725.664
Electricity (KWH)	192.69	272.00
Diesel & Others (Litres)	8.22	6.90
Coal	Nil	Nil
De-oiled Rice Husk (Kg)	302.06	345.34

II. TECHNOLOGY ABSORPTION :
RESEARCH & DEVELOPMENT

The company has installed various laboratory equipments to monitor and reduce oil losses. The Company has put more stress for using minor oils with better efficiency and turning out better quality product.

Future Action Plan :

R & D effort is going on to make special grade vanaspati with better frying properties.

Technology Absorption, Adaptation and Innovation :

The continuous process technology used by the company is updated one. The company has not imported any technology for its products and it has no technical collaboration with any foreign party.

III. FOREIGN EXCHANGE EARNINGS & OUTGO :

The company has not involved itself in transactions involving foreign exchange during the year.

For and on behalf of the Board
For SURAJ VANASPATI LIMITED

Place : New Delhi
Dated : 14.11.2000

Sd/-
(Inder Lal Jain)
Chairman

ANNEXURE TO DIRECTOR'S REPORT :
ANNEXURE-II

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE PERIOD ENDED 30TH JUNE, 2000.

Sl.	Name	Age	Qualification	Designation /Nature of duties	Date of Commencement of Employment	Remuneration (Rs.)	Experience (yrs.)	Last Employment Held & Name of the Organization	Designation
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- NIL -

For and on behalf of the Board
For SURAJ VANASPATI LIMITED

Place : New Delhi
Dated : 14.11.2000

Sd/-
(Inder Lal Jain)
Chairman