



SURAJ VANASPATI LIMITED

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15TH
ANNUAL REPORT
2003-2004

**SURAJ VANASPATI LIMITED**

BOARD OF DIRECTORS**Chairman**

Shri J.K.Jain

Whole Time Directors

Shri Ramesh Gupta

Shri S.C. Singhal

Directors

Shri Hardyal Doegar

Shri Shailesh Gupta

Shri S.A. Rehman

Shri Anand Pal Singh

**Vice President &
Company Secretary**

Shri G.S.Khurana

Bankers

Punjab National Bank

Auditors

M/s Tas Associates

Registered OfficeA-26, UPSIDC Industrial Area
Sikandrabad
Distt. Bulandshahr, U.P.**Corporate Office**7D, Vandana Building
11, Tolstoy Marg,
New Delhi-110 001.

**SURAJ VANASPATI LIMITED****NOTICE**

Notice is hereby given that the Fifteenth Annual General Meeting of the Members of Suraj Vanaspati Limited will be held on Thursday, the 23rd day of December, 2004 at 10:00 A.M. at the Registered Office of the Company at A-26 UPSIDC Industrial Area, Sikandrabad, Distt Bulandshahar (U.P) to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2004 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 Shri S.C.Singhal 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 Shri S.A. Rehman who was appointed as an additional director of the Company pursuant to section 260 of the Companies Act, 1956 to hold such office until the date of this Annual General Meeting be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“Resolved that pursuant to the provisions of section 314(1B) of the Companies Act, 1956 and subject to the approval of members by passing a special resolution be and is hereby accorded to Shri Vikas Gupta, a relative of Shri Suraj Gupta, Managing Director of the company to hold an office or place of profit as President of the company with effect from 1st April, 2004 on a total monthly remuneration of Rs. 25000/- per month plus other benefits as per detail mentioned in the explanatory statement annexed to the Notice.”

7. 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 appointment of Shri Ramesh Gupta as Whole Time Director of the company in accordance with the schedule XIII of the companies act, 1956 to hold office for a period of one year w.e.f. 23rd October, 2004 on a remuneration of Rs. 40,000/- Per month plus other benefits and on the terms and conditions as are set out in the agreement as approved by the Board of Directors and 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 provisions by the Central Government or as may be agreed between the Board of Directors and Shri Ramesh Gupta.

Resolved further that where in any financial year closing on and after 1st July, 2004 the company has no profits or its profits are inadequate the company may pay Shri Ramesh Gupta by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the board of directors and remuneration committee to



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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."

8. 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 S.C.Singhal as Whole Time Director of the company in accordance with the schedule XIII of the companies act, 1956 to hold office for a period of one year w.e.f. 27th April, 2004 on a remuneration of Rs. 20,000/- Per month plus other benefits and on the terms and conditions as are set out in the agreement as approved by the Board of Directors and 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 provisions by the Central Government or as may be agreed between the Board of Directors and Shri S.C.Singhal.

Resolved further that where in any financial year closing on and after 1st July, 2004 the company has no profits or its profits are inadequate the company may pay Shri S.C.Singhal by way of salary, perquisite and other allowances as mentioned in the agreement and approved by the board of directors and remuneration committee 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 Vanaspati Limited

Sd/-
(G.S.Khurana)
Vice President &
Company Secretary

Place : New Delhi
Date : 25.11.2004

Registered Office:
A-26, UPSIDC Industrial Area,
Sikandrabad, Distt. Bulandshahar (U.P.)

NOTES :

1. The relative explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under item 5 to 8 set out above is annexed hereto.
2. 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.
3. The Register of Members and Share Transfer Book, of the company will remain closed from Wednesday the 22nd December, 2004 till Thursday, the 23rd December, 2004 (Both days inclusive).
4. Members are requested to bring their copy of Annual Accounts at the meeting, as extra copies may not be available.
5. Members are requested to notify immediately any change in their address, quoting folio numbers to the company.



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6. The company had approached to NSDL/CSDL for dematerialisation of its equity shares. The request of dematerialisation of company's shares has been declined by CSDL. The approval of NSDL is awaited. The shareholders will be informed separately about demat of shares.

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

ITEM NO. 5

The Board of Directors appointed Shri S.A.Rehman 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 to hold the office upto the date of ensuing Annual General Meeting. The Company has received a notice from shareholder u/s. 257 of the Companies Act, 1956 along with Rs.500/- proposing the candidature of Shri S.A.Rehman for the office of Director.

Your Directors recommend the resolution set out at item no. 5 for your approval.

None of the Directors except Shri S.A.Rehman is interested in the resolution.

ITEM NO. 6

The Board of Directors in their meeting held on 30th April, 2004 approved the appointment of Shri Vikas Gupta as President of the company w.e.f. 01.04.2004. The appointment of Shri Vikas Gupta, S/o Shri Suraj Gupta, Managing Director of the company attract the provisions of section 314(1B) of the companies act and the appointment is subject to the approval of members by passing a special resolution in the General Meeting. The appointment of Shri Vikas Gupta is being made on a monthly salary of Rs. 25000/- P.M. plus other benefits as per details given below :

Salary Rs.25000/- p.m.

- Leased accomodation to be provided by the company
- Company's car with driver will be provided for use for company business.
- Medical Reimbursement for self and family : Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month Salary in a year.
- Telephone will be provided at the President's residence and all rentals and expenses except personal long distance calls will be paid by the company.
- Credit Card for the promotion of company's business will be provided. Use of Credit Card for private purposes shall be billed by the company.
- Leave Travel Allowance : Reimbursement of Actual expenditure for self and family proceeding on leave to any destination in India or abroad subject to maximum of one month salary every year.

Your Diretors recommend the resolution set out at item No.6 for your approval.

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

ITEM NO. 7

The Board of Directors in their meeting held on 23rd October, 2004 appointed Shri Ramesh Gupta as Whole Time Director of the company for a period of one year w.e.f. 23.10.2004 on a monthly remuneration of Rs. 40000/- plus other benefits. The appointment of Shri Ramesh Gupta is made subject to the approval of members in the general meeting and as per provisions of section 269, 198, 309 & 310 and schedule XIII of the companies act.

The details of remuneration and other benefits to be paid to the Whole Time Director w.e.f. 23.10.2004 are given below :

- Basic Salary is Rs. 24,000/- P.M.
- H.R.A. is Rs. 12,000/- P.M.
- 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.
- Company's car will be provided for use for company business, use of Car for private purpose shall be billed by the company.



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- e) Medical Reimbursement for self and family : Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month basic Salary in a year.
- f) Telephone to be provided at the Whole Time Director residence and all rentals and expenses except personal long distance calls will be paid by the company.
- g) Leave Travel Allowance for Self & Family : Actual expenditure for proceeding on leave to any destination in India subject to maximum of one month basic salary in a year.
- h) Gratuity: Not exceeding one half month's salary for each completed year of service, subject to maximum ceiling amount permissible as per payment of Gratuity Act.

A copy of the agreement is available for inspection at the registered office of the company between 11.00 A.M. to 1.00 P.M. on all working days except Saturday and Holiday up to the date of the meeting.

Your Directors recommend the resolution set out at item no. 7 for your approval.

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

ITEM NO. 8

Shri S.C. Singhal was re-appointed as Whole Time Director by the Board of Directors in their meeting held on 30th April, 2004 subject to the approval of members in the ensuing Annual General Meeting. The appointment of Shri S.C. Singhal as Whole Time Director is for a period of one year w.e.f. 27.04.2004 on a total monthly remuneration of Rs. 20,000/- and other benefits.

The details of the remuneration and other benefits paid/to be paid to the Whole Time Director is given below :

- a) Basic Salary Rs. 12,500/- p.m.
- b) H.R.A. Rs. 7,500/- p.m.
- c) 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.
- d) 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.
- e) Leave Travel Allowances for Self & Family : Actual Expenditure for proceeding on leave to any destination in India subject to maximum of one month basic salary in a year.
- f) Gratuity: Not exceeding one half month's salary for each completed year of service, subject to maximum ceiling amount permissible as per payment of Gratuity Act.

A copy of the agreement is available for inspection at the registered office of the company between 11.00 A.M. to 1.00 P.M. on all working days except Saturday and Holiday up to the date of the meeting.

Your Directors recommend the resolution set out at Item No. 8 for your approval.

None of the Directors except Shri S.C. Singhal is interested in the said resolution.

By order of the Board
For Suraj Vanaspati Limited

Sd/-
(G.S.Khurana)
Vice President &
Company Secretary

Place : New Delhi
Date : 25.11.2004

Registered Office:
A-26, UPSIDC Industrial Area, Sikandrabad,
Distt. Bulandshahar (U.P.)



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

Shri Shailesh Gupta is a commerce graduate, Shri Gupta has over 15 years of rich experience in Industry, Commerce and Business. He is associated with the company for the last 11 years.

Other Directorship	Name of the Committee
Name of the company	Name of the Committee
<ul style="list-style-type: none"> Harish Chandra Pvt. Ltd., Director R.K. Metal (I) Pvt. Ltd., Director 	NIL

Shri S.C. Singhal is a senior Oil Technologist and has over 50 years of rich experience in Industry, Commerce and Business.

Other Directorship	Name of the Committee
Name of the company	Name of the Committee
NIL	Suraj Vanaspati Limited <ul style="list-style-type: none"> Management Committee – Member

Shri S.A.Rehman is a Mechanical Engineer and has over 20 years of rich experience in Industry, Commerce and Business. He is associated with the company for the last 10 years.

Other Directorship	Name of the Committee
Name of the company	Name of the Committee
<ul style="list-style-type: none"> Suraj Solvent & Vanaspati Industries Limited., Whole Time Director 	Suraj Vanaspati Limited <ul style="list-style-type: none"> Audit Committee – Member Remuneration Committee - Member Investor Grievances / Share Transfer Committee - Member Suraj Solvent & Vanaspati Industries Limited <ul style="list-style-type: none"> Audit Committee – Member Management Committee - Member



SURAJ VANASPATI LIMITED

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their Fifteenth Annual Report along with the Audited Statements of Account for the year ended June 30, 2004.

Financial Results

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

	Year ended June 30, 2004	(Rs. In Lacs) Year ended June 30, 2003
Sales	17833.10	18533.75
Profit/(Loss) before Financial Charges & Depreciation	(425.17)	187.09
Financial Charges	68.14	76.12
Depreciation	94.00	91.58
Extra Ordinary Expenses :		
Prior period Expenses	1.78	-
Trade Tax for earlier years	30.77	-
Excise modvat credit of earlier years	(23.51)	-
Net Profit/(Loss) before Tax	(596.35)	19.39
Income Tax for earlier years	9.76	
Net Profit (Loss) for the year	(606.11)	19.39
APPROPRIATIONS		
Dividend	-	-
Transfer to General Reserve	-	-
Loss brought forward	(728.77)	(748.16)
Transfer from Investment allowance reserves	65.00	-
Balance in profit & Loss Account carried to Balance sheet	(1269.88)	(728.77)

Dividend

In view of Company's Financial Position, the Directors are unable to recommend any dividend. The company's share are listed at Mumbai, Delhi, Uttar Pradesh and Kolkata Stock Exchange and the company has deposited the listing fee to all the Stock Exchange for the year 2004-2005 pursuant to clause 38 of the listing agreement.

Operations

During the year in review, the capacity utilization of the unit was 77% as compared to 84% last year. This was because of general sluggishness in the demand for vanaspati. Moreover, the market conditions were also affected because of distorted import duty structure on edible and non-edible oils. As a result of which the company incurred losses during the year.

However for the current year the company shall be aggressively marketing refined oils and bakery shortening as these two segments have got a huge potential for growth in volumes as well margins so that the business operations get stabilized and dependence on vanaspati for margins gets reduced.

Deposits

The company has accepted the deposits from the specified persons only and the statement in lieu of advertisement as per deposit rules has been filed with the Registrar of Companies, U.P. and there is no default in repayment of any deposit.



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Directors

Shri Shailesh Gupta and Shri S.C. Singhal, Directors retire by rotation and being eligible offers themselves for re-appointment. During the year Shri S.A.Rehman was appointed as Additional Director under section 260 of the Companies Act, 1956. The company has received the notice from member under section 257 of the Companies Act, 1956 proposing the appointment of Shri S.A.Rehman as regular director of the company.

During the year, Shri S.P.Choudhary resigned from the Directorship of the company. The expertise and invaluable guidance of Shri S.P.Choudhary has helped the company to a greater extent in forging ahead. The Board places on record its deep appreciation and gratitude for the valuable advice, guidance, assistance and service rendered by him during his tenure on the board.

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 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 2003-2004 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 the annual accounts on a going concern basis.

Audit Committee

Pursuant to the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement for Corporate Governance, your company has constituted the Audit Committee of the Board of Directors with the following composition:

1. Shri Ramesh Gupta
2. Shri S.A. Rehman
3. Shri Anand Pal Singh
4. Shri Hardyal Doegar

This committee has reviewed the Accounts for the year ended June 30, 2004.

Corporate Governance

SVL continues to function in a transparent manner with the basic philosophy to create wealth, besides taking care of the interest 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 the Practicing Company Secretary regarding compliance of conditions of Corporate governance as stipulated under clause 49 of the Listing Agreement with the stock exchanges form part of the Annual Report.

Auditors

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

**SURAJ VANASPATI LIMITED**

Insurance

All the insurable interest of the company including inventories, building 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.

Acknowledgement

We wish to place on record our sincere appreciation of the continued valuable, co-operation, guidance and support provided to the company by financial institution viz, IDBI its bankers Punjab National Bank, Directorate of Vanaspati, 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.

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For and on behalf of the Board
For Suraj Vanaspati Limited

Sd/-
(J.K. Jain)
Chairman

Place : New Delhi
Date : November 25, 2004