

SURAJ VANASPATI LIMITED

**18TH
ANNUAL REPORT
2006-2007**



BOARD OF DIRECTORS

Whole Time Director

Shri Gopal Das Aggarwal

Directors

Shri S.K.Jain

Shri Inder Mani Mittal

Shri Sanam Gambhir

**Vice President &
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

A-8, SECTOR 19 NOIDA, U.P.

Share Transfer Agent

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



SURAJ VANASPATI LIMITED

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Suraj Vanaspati Limited will be held on Saturday the 29th day of December, 2007, 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, 2007 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 S.K.Jain, who retires by rotation and being eligible offer himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the Next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

“Resolved that Shri Sanam Garabhir 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.”

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 Gopal Das Aggarwal 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 28.1.2007 on a total monthly remuneration of Rs. 12,045/- per month(Gross) to be approved by a Remuneration Committee 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 Gopal Das Aggarwal.

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

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

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

“Resolved that subject to the approval of the Central Government under Section 21 of the companies act, 1956, the name of the company be changed from Suraj Vanaspati Limited to Shri Gang Industries and Allied Products Limited with effect from the date of issue of Certificate of Incorporation by the Registrar of Companies, Uttar Pradesh in that behalf, and accordingly the name of Suraj Vanaspati Limited wherever it occurs in the Memorandum and Articles of Association of the company be substituted by the name of



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Shri Gang Industries and Allied Products Limited.”

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

By order of the Board

For Suraj Vanaspati Limited

Place : Noida
Date : 26.11.2007

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

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 items 4 to 6 set out above are 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 Thursday the 27th December, 2007 till Saturday, the 29th December, 2007 (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.

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

ITEM NO. 4

The Board of Directors appointed Shri Sanam Gambhir 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 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 Sanam Gambhir for the office of Director.

Your Directors recommend the resolution set out at item no. 4 for your approval.

None of the Directors except Shri Sanam Gambhir is interested in the resolution.

ITEM NO. 5

Shri Gopal Das Aggarwal was appointed as Whole Time Director by the Board of Directors in their meeting held on 30th January, 2007 subject to the approval of members in the ensuing Annual General Meeting. The appointment of Shri Gopal Das Aggarwal as Whole Time Director of the company was made w.e.f. 28.01.2007 for a period of two year upto the conclusion of 19th Annual General Meeting on a total monthly remuneration of Rs. 12,045/- (Gross) per month.

The details of remuneration paid w.e.f. 28.01.2007 to the Whole Time Director are given below :



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- 1) Basic Salary Rs. 6850/- P.M.
- 2) House Rent Allowance of Rs.1370/- P.M.
- 3) Other Allowances Rs. 1825/- P.M.
- 4) 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 : Rs.571/- P.M.
 - iii) Conveyance to be paid to Whole Time Director : Rs.500/- P.M.
 - iv) Adhoc Allowance to be paid to Whole Time Director : Rs.929/- P.M.

Your Directors recommend the resolution set out at Item No. 5 for your approval and ratification.

None of the Directors except Shri Gopal Das Aggarwal is interested in the said resolution.

ITEM NO. 6

The Board of Directors in their meeting held on 31st October,2007 unanimously decided to change the name of the company and to substitute with some religious name with the sole purpose to increase the operational efficiency of the company. The new name of the company shall be subject to the approval of Members by passing a special resolution in General Meeting and subject to the approval of Central Government under section 21 of the companies act. Accordingly the company applied for the availability of names to the Registrar of Companies U.P and the name of Shri Gang Industries and Allied Products Limited is available for change. The board in their meeting held on 26th November 2007 approved the name of Shri Gang Industries and Allied Products Limited as new name of the company subject to necessary approvals. The approval of the shareholders is solicited for Shri Gang Industries and Allied Products Limited as New name of the company w.e.f. the date of issue of Certificate of Incorporation by Registrar of Companies, U.P.

Your Directors recommend the resolution set out at item no. 6 for your approval.

None of the Directors is interested in the resolution.

By order of the Board
For Suraj Vanaspati Limited

Place : Noida
Date : 26.11.2007.

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

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

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

Shri S.K.Jain is a Chartered Accountant by profession and has over 20 years of rich experience in Industry, Commerce and Business and seeking his re-appointment as an Independent director of the company.

Other Directorship	Name of the Committee
Name of the Company	Name of the Committee
Skylords Holding. Com.Pvt.Ltd. - Director	Suraj Industries Limited-Audit Committee-Member
Suraj Industries Limited	Suraj Vanaspati Limited -Audit Committee-Member



SURAJ VANASPATI LIMITED

DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting their Eighteenth Annual Report along with the Audited Statements of Account for the year ended June 30, 2007.

Financial Results

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

	Year ended June 30,2007	(Rs. In Lacs) Year ended June 30,2006
Sales	15141.32	13186.35
Profit before Financial Charges & Depreciation	(546.95)	(648.58)
Financial Charges	61.12	65.34
Depreciation	96.00	96.61
Extra Ordinary Expenses :		
Prior period Expenses	4.95	7.72
Provision for diminution in value of Investments	-	(1.50)
Net Profit/(Loss) before Tax	(709.02)	(816.75)
Income Tax (Fringe Benefit Tax).	2.61	2.76
Net Profit (Loss) for the year	(711.63)	(819.51)

APPROPRIATIONS

Dividend	-	-
Transfer to General Reserve	-	-
Loss brought forward	(2830.34)	(2010.83)
Transfer from Investment allowance reserves	-	-
Balance in profit & Loss Account carried to Balance sheet	(3541.98)	(2830.34)

Dividend

In view of Company's Financial Position, the Directors are unable to recommend any dividend. The company's share are listed at Mumbai Stock Exchange and the company has deposited the listing fee to the Mumbai Stock Exchange for the year 2007—2008 pursuant to clause 38 of the listing agreement.

Operations

During the year under review the company has incurred a loss of Rs.711.63 lacs. The major factor for the loss was continuing imports of duty free Vanaspati from Sri Lanka under the Free Trade Agreement. This was in addition to the duty free import of Vanaspati from Nepal. The market conditions were also affected because of distorted import duty structure on edible and non-edible grades of Palm oil. As a result of this the company has incurred loss in this year as well.

Deposits

During the year the company has not accepted any public deposits. However, the company has accepted the deposits from the specified persons in earlier years and the statement in lieu of advertisement has been filed with



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the Registrar of Companies for those years. However there is no default in repayment of any deposit.

Directors

Shri S. K. Jain, Directors retires by rotation and being eligible offers himself for re-appointment. During the year Shri Sanam Gambhir was appointed as an Additional Director under section 260 of the Companies Act, 1956. The company has received notice from a member under section 257 of the Companies Act, 1956 proposing the appointment of Shri Sanam Gambhir as regular director of the company.

During the year, Shri J.K.Jain resigned from the Post of Managing Director and Directorship of the company. The expertise and invaluable guidance of Shri J.K.Jain have helped the company to a greater extent in forging ahead. The Board places on record its deep appreciation and gratitude for the valuable advise, 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 2006-2007 and of the loss of the company for that period.
- c. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company for preventing and detecting fraud and other irregularities.
- d. That they have prepared 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 Gopal Das Aggarwal
2. Shri S.K.Jain
3. Shri Inder Mani Mittal

This committee has reviewed the Accounts for the year ended June 30, 2007.

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 from part of the Annual Report.

Auditors

M/s Tas Associates, Chartered Accountants, Auditors of the company hold office until the conclusion of ensuring 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



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

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.

For and on behalf of the Board
For Suraj Vanaspati Limited

Place : Noida
Date : November 26, 2007

Sd/
(Gopal Das Aggarwal)
Whole Time Director

Sd/
(S.K.Jain)
Director



ANNEXURE TO DIRECTOR'S REPORT

INFORMATION AS PER SECTION 217(1)(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 JUNE 30, 2007.

I. Conservation of Energy :

- i) Plate Heat Exchanger has been installed to improve the efficiency of Refrigeration plant consequently reducing the cooling time for vanaspati.
- ii) Steam condensate is being used in boiler to reduce the consumption of Rice husk.
- iii) Water recovery system has been installed to re-circulate waste water through cooling tower resulting in saving of water and power.
- iv) Details of total energy consumption and energy consumption per unit of Production as per Form 'A' are given hereunder :

	Year ended June 30, 2007	(Rs. In Lacs) Year ended June 30, 2006
POWER AND FUEL CONSUMPTION		
1. Electricity		
a. Purchased		
Units (KWH)	5111967	5362210
Total amount (Rs. Lacs)	222.97	233.88
Rate / Unit (Rs.)	4.36	4.36
b. Own Generation		
Through Diesel Generator		
Units	365365	661901
Units per Litre of Diesel Oil	2.88	2.95
Cost/ Unit	10.24	9.31
Through Steam Turbine / Generator Units		
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. Other / Internal Generation		
a. De-oiled Rice Husk (for Boiler)		
Quantity (MT)	9966.00	11176.00
Total Cost (Rs. Lacs)	246.86	231.63
Rate / MT (Rs.)	2477.05	2072.56
b. Diesel & Other (For Process House)		
Quantity Litres	600	3227
Total Cost (Rs. Lacs)	0.18	0.89
Average Rate (Rs.)	29.53	27.47



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5. Consumption per unit (MT) of production

Production (Tones)	29927.887	30659.101
Electricity (KWH)	170.81	196.49
Diesel & Other (Litres)	0.02	0.11
Coal	-	-
De-oiled Rice Husk (Kg.)	333.00	364.52

II. Technology Absorption:

Research & Development

The company has installed various laboratory equipments to monitor and reduce oil losses.

The company has started physical refining oils resulting in reduced cost of production.

Future Action Plan

R & D effort is going on to make special grade Bakery Fats with better baking 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 - Nil

For and on behalf of the Board
For Suraj Vanaspati Limited

Place : Noida
Date : November 26, 2007

Sd/-
(Gopal Das Aggarwal)
(Whole Time Director)

Sd/-
(S.K. Jain)
Director

ANNEXURE TO THE 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 JUNE 30, 2007.

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

For and on behalf of the Board
For Suraj Vanaspati Limited

Place : Noida
Date : November 26, 2007

Sd/-
(Gopal Das Aggarwal)
(Whole Time Director)

Sd/-
(S.K. Jain)
Director

**Management Discussion and Analysis**

Suraj Vanaspati Ltd. is engaged in manufacture and Sale of Vanaspati, Refined Oils and Bakery Shortening. It manufactures these products under its brands 'Apna' and Mr. 'Baker' and the sale are mainly in the State of Uttar Pradesh.

OPPORTUNITIES

With the growing health consciousness amongst the masses, the preference for refined oil as a cooking medium is increasing day by day. But vanaspati has its own loyal consumers and in certain type of cooking it can not be replaced by refined oil. But as the per capita consumption of edible oil increases in India, the major chunk of this increase shall go to refined oils. Therefore, the company sees an opportunity in the refined oil segment and in the coming years shall increase its focus on refined oil segment. The company's bakery shortening is well accepted in the market and company plans to further strengthen its presence in this specialized market.

FUTURE OUTLOOK

With the increased oilseeds production in the country, the prospects of the domestic oil refining industry shall definitely improve. Then, there is growing demand for vanaspati and bakery shortening by biscuit manufactures and bakers which the company hopes to tap to its potential.

THREATS

The inconsistent Government policies relating to import duties on edible oils as well as Vanaspati and Bakery shortening is biggest threat to the industry.

FINANCIAL PERFORMANCE

The Gross turnover of the company during the year was Rs. 15151.15 lacs against Rs. 13186.35 lacs last year. However, during the year under review the company incurred loss of Rs. 711.63 lacs as against loss of Rs. 819.52 lacs last year. There was general sluggishness in the demand for vanaspati during the year. Moreover, the market conditions were also affected because of distorted import duty structure on edible and non-edible oils also because of increased imports Vanaspati from Sri Lanka under the FTA. As a result of which the company incurred losses during the year.

FINANCE COST

The interest and financial charges for the year ended June 30, 2007 was Rs. 61.12 lacs as against Rs. 65.34 lacs last year.

SHARE CAPITAL

Share Capital of the company comprises of Equity Share Capital of Rs. 793 lacs.

RESERVES AND SURPLUS

As on Jun 30, 2007 the reserves and surplus amounted to Rs. 220.81 lacs and the accumulated losses amounted to Rs. 3541.97 lacs.

EARNING PER SHARE

The earning per share for the year ended June 30, 2007 was negative due to losses.

INTERNAL CONTROLS

The company has adequate internal controls commensurate with its size and nature of business. These internal controls ensure optimum use as well as 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. It has got an effluent plant where the plant waste is treated before disposal.



REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

(a) Board Procedure:

During the financial year ended June 30, 2007, Six meeting of the Board of Directors was held on 28th July, 2006, 31st October, 2006, 20th November, 2006, 1st January 2007, 30th January, 2007 and 30th April, 2007.

(b) Composition and Category of Board:

The Board of Directors as on June 30, 2007, consists of a majority of Non-Executive Independent Directors, many of them are acknowledged as leading professionals in their respective fields. In all the Board comprises of One (1) Executive Director and Two(2) Non Executive Independent Directors. The constitution of Board, as on June 30, 2007 are given below: -

Name of Directors	Category	No. of positions held in other Public Companies			Attendance at Board Meetings held during the year 2006-07	Attendance at last AGM
		Board	Committee			
			Member-ship	Chairman ship		
Shri S.K. Jain	Non Executive Independent	1	1	-	6	No
Shri Gopal Das Aggarwal	Executive Director	-	-	-	6	YES
Shri Inder Mani Mittal	Non Executive Independent	1	1	-	6	No



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Details of persons who ceased to be Directors during the year 2006-7

Name of Directors	Category	No. of positions held on the Board of other public companies at the time of their resignation	Attendance at Board meetings held during the year 2006	Attendance at last AGM
Shri J.K. Jain*	Chairman	5	3	Yes

* Resignation effective 1.1.2007

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 in the financial year 2006-2007. The Board had re-constituted the Audit Committee in its meeting held on January 28, 2006, comprising of 3 (Three) Directors Shri Gopal Das Aggarwal as Chairman, Shri S.K.Jain and Shri Inder Mani Mittal as Members. All the members of the committee except Chairman are non-executive Independent Directors who has financial / accounting acumen to specifically look into the internal controls and audit procedures.

During the year, three Audit Committee meetings were held on July 28, 2006, November 20, 2006 and January 30, 2007. The composition of Audit Committee as on June 30, 2007 is as follows:

Name of Director	Designation	Attendance at the meetings held during the year 2006-2007
Shri Gopal Das Aggarwal	Chairman	3
Shri S.K.Jain	Member	3
Shri Inder Mani Mittal	Member	3

Mr. G.S.Khurana, Vice President & Company Secretary act as Secretary of the Committee

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

- (a) To review the quarterly, half years and annual financial statements before submission to the Board for approval
- (b) To discuss the Auditors about internal control system and to consider their observations and follow-up
- (c) To ensure compliance of internal control system
- (d) Reviewing with management the annual financial statements before submission to the board, focusing primarily on any changes in:
 - (i) Accounting policies and practices
 - (ii) Major accounting entries based on the exercise of judgment by management
 - (iii) Qualifications in the draft audit report
 - (iv) The going concern concept
 - (v) Compliance with accounting standards
 - (vi) Any related party transactions i.e. transactions of the company of material nature, with promoters of the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.



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- (e) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- (f) Reviewing the adequacy of internal audit functions.
- (g) Discussions with internal auditors any significant finding and follow up there on.
- (h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (i) Discussions with external auditors before the audits 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. Consequent upon change in the composition of the Board of Directors of the company, the Board had re-constituted the Remuneration Committee in its meeting held on 28th January 2006 comprising of two Directors Shri Gopal Das Aggarwal Chairman, Shri S.K.Jain as member.

The scope of the Committee includes inter alia, appointment, removal and compensation issues of key managerial personal of the Company. The Remuneration Committee meets with the requirement under Schedule XIII of the Companies Act, 1956 and Clause 49 of the Listing Agreement. As on June 30, 2007, the Committee comprises of 1 (one) Executive and One Non-Executive Independent Director viz. Shri Gopal Das Aggarwal Chairman, Shri S.K.Jain as member.

Remuneration paid to Directors

The remuneration, if any, paid to the Director is decided by the Board of Directors of the Company. However, the Non-Executive Directors, including two Independent Directors, do not draw any remuneration from the company.

5. INVESTORS' GRIEVANCES/SHARE TRANSFER COMMITTEE

Pursuant to the Provisions of Clause 49 of the Listing Agreement, the existing Share Transfer Committee has been renamed by the Board in its meeting held on 27th April, 2002 as the "Investors" Grievance/Share Transfer Committee.

Consequent upon change in the composition of Board of Directors of the company, the Board had re-constituted the Investors Grievance/Share Transfer Committee in its meeting held on 1st January 2007, comprising of two Directors Shri Inder mani Mittal as Chairman and Shri Gopal Das Aggarwal as Member. 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 Inder Mani Mittal : Chairman, Non-executive Independent Director
- (2) Shri Gopal Das Aggarwal : Member, Executive Director.

The Board has designated Mr. G.S.Khurana, Vice President & Company Secretary as Secretary to the Committee.



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

During the year 2006-2007, the company has received 5 (Five) complaint of shareholders, which were properly attended and resolved to the satisfaction of the shareholders. There is no pending complaint as on June 30th, 2007.

6. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2004	A-26, UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar Uttar Pradesh	23.12.2004	10 A.M.
2005	A-26, UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar Uttar Pradesh	30.12.2005	10 A.M.
2006	A-26, UPSIDC Industrial Area, SIAS Bhawan, Sikandrabad	22.12.2006	10 A.M.

7. DISCLOSURES

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

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

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

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

8. MEANS OF COMMUNICATION

(a) The quarterly / half yearly results are forthwith communicated to all Stock Exchanges with whom the company has listing arrangements as soon as they are approved and taken on record by the Board of Directors of the company. Thereafter the results are published in the leading newspapers, namely, The Indian Express (all U.P.) and "Jansatta" (Hindi) published from Lucknow and Kanpur.

9. GENERAL SHAREHOLDER INFORMATION

- (a) Annual General Meeting : 29.12.2007
Date and Time : 10 A.M.
Venue : A-26, UPSIDC Industrial Area
Sikandrabad,
Dist. Bulandshahar
Uttar Pradesh
- (b) Book Closure date : 27.12.2007 to 29.12.2007
- (c) Dividend payment date : N.A
- (d) Stock Exchanges at which Shares of the Company are listed. : The Stock Exchange, Mumbai
- (e) Stock Code : Code
The Stock Exchange, Mumbai : 523309



SURAJ VANASPATI LIMITED

(f) Stock Market Data

The Company's shares are not actively traded in the stock Exchanges where they are listed.

(g) Share price performance in comparison to broad based indices.

No information received from the stock exchanges

(h) Registrar and Transfer Agent :Beetal Financial & Computer Services(P) Ltd

Beetal House, 3rd Floor, 99, Madangir, New Delhi.

(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 June 30,2007

No. of equity shares held	No. of Share holders	% of shareholders	No. of shares held	% of shareholding
Upto 5000	11430	94.66	1738520	21.93
5001 to 10000	398	3.30	330000	4.16
10001 to 20000	119	0.99	177500	2.23
20001 to 30000	40	0.33	103200	1.30
30001 to 40000	10	0.08	35200	0.44
40001 to 50000	13	0.11	61000	0.76
50001 to 100000	13	0.11	97100	1.23
100001 and above	52	0.42	5387480	67.95
	12075	100	7930000	100.00

Shareholding pattern as on June 30, 2007

S.No.	Category	No. of Shareheld	% of holding
A.	Promoters & Associates holding	3037380	38.30
B.	Non-promoters holding		
1	Institutional Investors- Banks	1569600	19.80
2	Others		
i)	Body Corporates	354700	4.47
ii)	Indian Public	2962020	37.35
iii)	NRIs/OCBs	6300	0.08
	Sub-total (B)	4892620	61.70
	Grand Total	7930000	100

(k) Dematerialization of Shares and Liquidity

The Shareholders in the Annual General Meeting held on 24th December, 2001 approved for dematerialisation of shares. The company thereafter applied to CSDL/NSDL for demat of shares. The Conversion of company shares in dematerialisation has been declined by CSDL & NSDL.

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

Date and likely impact on Equity : Not Applicable

(m) Plant Location : A-26, UPSIDC Industrial Area, Sikandrabad, Dist. Bulandshahar Uttar Pradesh

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



Corporate Governance Certificate

The Certificate dated November 26, 2007 obtained from M/s. P.S.Soni, Practicing Company Secretary, forms part of this Annual Report and the same is given herein:

To the members of Suraj Vanaspati Limited

We have examined the compliance of the conditions of Corporate Governance by Suraj Vanaspati Limited for the year ended on 30th June, 2007, as stipulated in clause 49 of the Listing Agreement of the said company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

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

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

**For P.S. Soni & Co.
Company Secretaries**

Sd/
P.S. Soni
(Partner)

Date : November 26, 2007
Place : Noida

**CP-4599
FCS-2887**



SURAJ VANASPATI LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF SURAJ VANASPATI LIMITED.

1. We have audited the attached Balance Sheet of **Suraj Vanaspati Limited** as at June 30, 2007 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Accounting Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the company, so far, as appears from our examination of those books;
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement, dealt with by this report, are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards as issued by the Institute of Chartered Accountants of India and referred to in section 211(3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 30th June, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies' Act, 1956.
 - f) To the best of our knowledge & belief, the provisions of Section 441A of the Companies Act, 1956 regarding the levy & collection of cess on turnover or gross receipts of the Company, have not yet been notified by the Central Government. Accordingly, we are unable to express our opinion on the compliance of the said section in terms of clause (g) of sub-section 3 of section 227 of the Companies Act, 1956 and clause 9 of the Annexure attached to our this report.
 - g) Subject to our comments in the statement referred to in paragraph 3 above, 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 June 30, 2007; and
 - II) in the case of the Profit and Loss Account, of the Loss of the company, for the year ended on that date; and
 - III) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For T&S ASSOCIATES
Chartered Accountants

Sd-
(SUBODH GUPTA)
Partner
M. No.: 087099

Place : Noida
Date : 26th, November 2007



SURAJ VANASPATI LIMITED

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITORS REPORT OF EVEN DATE TO THE MEMBERS OF SURAJ VANASPATI LIMITED FOR THE YEAR ENDED JUNE 30, 2007.

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management carries out the physical verification of fixed assets in a phased manner over a period of two years and accordingly, part of fixed assets were physically verified during the year and no material discrepancies are stated to have been observed on such verification as compared to books records. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company and the nature of its fixed assets.
 - c) The company has not disposed any substantial part of its fixed assets during the year.
2. a) The stock of finished goods, stores, spares part and raw materials has been physically verified by the management at reasonable intervals. In our opinion the frequency of verification is reasonable.
3. a) The company has not taken/ granted any loan from / to Companies, firms or other parties listed covered in the register maintained under section 301 of the Companies Act, 1956.
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 of inventory and fixed assets and for sale of goods. 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 is no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301, exceeding the value of five lakh rupees, in respect of any such party during the year.
6. According to information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under as are applicable.
7. In our opinion, the company has an adequate Internal Audit system commensurate with its size and nature of its business.
8. Pursuant to the rules made by the Central Government for the maintenance of cost records 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 been made and maintained.
9. a) According to the records of the company, the company is regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Trade Tax, State Development Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues applicable to it. However, by virtue of order of the BIFR for the rehabilitation, an amount of Rs.1702.83 Lacs (Previous year Rs. 1225.49 Lacs) on account of trade tax / Compounding tax has been deferred. See also Note no. 15 of part B of schedule N.
 - b) According to the records of the company and information and explanations given to us, there are no dues of Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess on account of any dispute, except the following:



Name of the statute	Nature of Due	Amount (Rs.)	Period to which the amount relate	Forum where dispute
U.P. Power Corporation Act	Electricity Charges	20.03 Lacs	1989-90 & 1990-91	Allahabad High Court
U.P. Trade Tax Act	Trade Tax	124.86 Lacs	1996-97	Trade Tax Tribunal U.P.
U.P. Trade Tax Act	Trade Tax	0.16 Lacs	2003-04	Depty Commitee, Trade Tax
Central Excise & Custom Act	Custom Duty	8.36 Lacs	2006-07	Custom Department

Remark: However, electricity Charges of Rs. 20.03 Lacs, trade tax of Rs. 0.16 Lacs and Custom Duty Rs. 8.36 Lacs have been deposited under protest.

10. The accumulated losses of the Company as at June 30, 2007 are more than its net worth. The company has incurred cash losses of Rs. 610.97 Lacs during the financial year covered by our audit as against cash losses of Rs. 722.70 Lacs during immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to banks/FT's, as per rehabilitation scheme sanctioned by BIFR. See also Note No. 13 of Part B of Schedule N.
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 the clause regarding proper records of transactions and contracts in respect of shares etc., is not applicable to the company.
15. According to information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
16. Based on information and explanations given to us and in our opinion, no term loans have been raised by the company during the year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments by the company. However long term funds have been utilized for the net working capital requirements.
18. During the year, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956
19. The company has not issued any debentures.
20. The company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For TAS ASSOCIATES
Chartered Accountants

Sd/-
(SUBODH GUPTA)
Partner

M. No.: 087099

Place : Noida
Date : November 26, 2007



SURAJ VANASPATI LIMITED

BALANCE SHEET AS AT JUNE 30 2007

	SCHEDULES	As at 30.06.2007		As at 30.06.2006	
		Rs.		Rs.	
I. SOURCES OF FUNDS					
a) Share Capital	A	79300000		79300000	
b) Reserves & Surplus	B	<u>22081000</u>	101381000	<u>22081000</u>	101381000
2. LOAN FUNDS					
a) Secured Loans	C	111148441		112541181	
b) Unsecured Loans		3000000		3000000	
c) Deferred Credits		<u>280738418</u>	<u>394886859</u>	<u>210707229</u>	<u>326248410</u>
			<u>496267859</u>		<u>427629410</u>
II. APPLICATION OF FUNDS					
1. FIXED ASSETS					
Gross Block	D	201650573		201343603	
Less : Accumulated Depreciation		<u>144931537</u>	56719036	<u>135333321</u>	66010282
2. INVESTMENTS					
	E		442000		442000
3. CURRENT ASSETS LOANS & ADVANCES					
a) CURRENT ASSETS					
Inventories		102942863		80422843	
Cash & Bank Balances		8473533		9823229	
Sundry Debtors		31898659		9035867	
b) LOANS & ADVANCES					
		<u>22938825</u>		<u>9645216</u>	
		166253880		108927155	
Less: CURRENT LIABILITIES & PROVISIONS					
Net Current Assets	G	<u>81344984</u>		<u>30804866</u>	
			84908896		78122289
4. MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)	H				20000
5. PROFIT & LOSS ACCOUNT					
			354197927		283034839
			<u>496267859</u>		<u>427629410</u>

For TAS ASSOCIATES
Chartered Accountants

Sd/-
(SUBODH GUPTA)
Partner
M. No. 087099

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

Sd/-
(SANAM GAMBHIR)
Director

Sd/-
(GOPAL DASAGGARWAL)
Whole Time Director

Place : Noida
Date : November 26, 2007

SURAJ VANASPATI LIMITED



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30 2007

SCHEDULES	2006-2007 Rs.	2005-2006 Rs.
I. INCOME		
1. Sales		
— Vanaspati	1313667644	1301269624
— Refined Oil	193993228	4270140
— By-Products	7454166	13095392
	<u>1515115038</u>	<u>1318635156</u>
Less : Excise Duty	983327	1742165
2. Other Income	I 2375559	3109927
3. Increase / (Decrease) in stocks	J 11278304	2503590
	<u>1527785574</u>	<u>1322506508</u>
II. EXPENDITURE		
1. Raw Material Consumed	K 1450837524	1258979493
2. Manufacturing and other Overheads	L 131162133	127966009
3. Financial Charges	M 6112426	6534355
4. Depreciation	9600011	9661959
5. Fixed Asset Written off	14405	225764
6. Inventory Written off	-	172107
7. Provision for doubtful debts	446336	-
8. Miscellaneous Expenditure W/off	20000	20000
	<u>1598192835</u>	<u>1403559687</u>
	(70407261)	(81053179)
III. BALANCE		
IV. EXTRAORDINARY ITEMS		
— Prior period items (Net)	(494912)	(772279)
— Loss on Sale of Investment	-	9850000
Less: Provision (Written Back)	-	(9999900)
	-	149900
V. NET PROFIT/(LOSS) BEFORE TAX		
	(70902173)	(81675558)
Less: Provision for Tax		
— Current Tax	-	-
— Fringe Benefit Tax	(260915)	(276277)
— Deferred Tax	-	-
(See Note 18 of Part B of Schedule N)		
VI. PROFIT/(LOSS) FOR THE YEAR		
	(71163088)	(81951835)
VII. LOSS BROUGHT FORWARD		
	(283034839)	(201083004)
VIII. BALANCE CARRIED TO BALANCE SHEET		
	<u>(354197927)</u>	<u>(283034839)</u>
BASIC & DILUTED EARNING PER EQUITY SHARE (Rs.)		
— before extraordinary items	(8.91)	(10.26)
— after extraordinary items	(8.97)	(10.33)
(Refer note no. 17 of part B of Schedule N)		

For TAS ASSOCIATES

Chartered Accountants

Sd/-

(SUBODH GUPTA)

Partner

M. No. 087099

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

Sd/-
(SANAM GAMBHIR)
Director

Sd/-
(GOPAL DASAGGARWAL)
Whole Time Director

Place : Noida

Date : November 26, 2007



SURAJ VANASPATI LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2007 Rs.	As at 30.06.2006 Rs.
SCHEDULE - A : SHARE CAPITAL		
AUTHORISED		
8500000 (previous year 8500000) Equity Shares of Rs. 10/- each	<u>85000000</u>	<u>85000000</u>
ISSUED SUBSCRIBED & PAID UP		
7930000 (previous year 7930000) Equity Shares of Rs 10/- each fully paid up	<u>79300000</u>	<u>79300000</u>
SCHEDULE - B : RESERVES & SURPLUS		
CAPITAL RESERVE		
Balance as per last account	81000	81000
GENERAL RESERVE		
Balance as per last account	<u>22000000</u>	<u>22000000</u>
	<u>22081000</u>	<u>22081000</u>
SCHEDULE -C : LOAN FUNDS		
SECURED LOANS		
<u>From Financial Institutions</u>		
1. Industrial Development Bank of India (IDBI)		
Term Loan/Non Convertible Debenture		2000000
- Secured by way of first mortgage to the Financial Institutions of the whole of the Company's immovable properties both present and future.		
- Secured by way of first charge/ hypothecation to the Financial Institutions of the whole of the movable properties of the company including movable plant & machinery machinery spares tools & accessories and other movable assets both present & future (save & except Book Debts) whether installed or not subject to prior charges of the Company's Bankers for the working capital loan on specified movables.		
- Further secured under personal guarantee of three Ex-Directors of the Company		
2. PICUP		
Interest free loan in lieu of Trade Tax deferred (Refer Note No.15 of part B of Schedule N)	44600000	44600000
- Secured by way of third charge on the entire immovable and movable properties of the Company.		
<u>From Banks</u>		
3. Working Capital Loans		
i) Secured by way of hypothecation of raw materials, stores & spares stock in process and finished products and Book Debts.	66548441	65941181
ii) Further secured under personal guarantee of six ex-directors of the company and also collaterally secured by way of second charge on the block assets of the company		
UNSECURED LOANS		
- From Others	3000000	3000000
DEFERRED PAYMENTS		
1. Trade Tax deferred by the Government of U.P.	170156037	122421833
2. State Development Tax deferred by Government of U.P.	31658	31633
3. Turnover Tax deferred by Government of U.P.	95299	95299
4. Power Charges deferred by the Government of U.P.	110455424	88158464
(Refer Note No.15 of part B of Schedule N)	<u>394886859</u>	<u>326248410</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE — D : FIXED ASSETS

Description	Gross Block			Depreciation			Net Block			
	Op. Balance as at 7/1/2006	Additions during the year	Deduction during the year	Cl. Balance as at 30.06.2007	Op. Balance as at 01.07.2006	Dep for the year	Deduction during the year	Cl. Balance as at 30.06.2007	W.D.V. as at 30.06.2007	W.D.V. as at 30.06.2006
Leasehold Land	2857874	-	-	2857874	-	-	-	-	2857874	2857874
Building	41334183	-	-	41334183	17197153	1229292	-	18426445	22907738	24137030
Plant & Machinery	134706919	212681	-	134919600	100945790	7095142	-	108040932	26878668	33761129
Electrical Installtion	6092266	-	-	6092266	4850431	321672	-	5172103	920163	1241835
Water Supply System	1992100	-	-	1992100	1900318	91782	-	1992100	-	91782
Furniture & Fixtures	3985192	-	-	3985192	3065543	244940	-	3310483	674709	919649
Vehicles	2397569	-	-	2397569	2198807	198762	-	2397569	-	198762
Laboratory Equipments	879352	-	-	879352	640217	41769	-	681986	197366	239135
Other Equipments	7098148	110489	16200	7192437	4535062	376652	1795	4909919	2282518	2563086
	201343603	323170	16200	201650573	135333321	9600011	1795	144931537	56719036	66010282
TOTAL PREVIOUS YEAR	201441760	149347	247504	201343603	125693102	9661959	21740	135333321	66010282	75748658





SURAJ VANASPATI LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As At 30.06.2007 (Rs.)	As At 30.06.2006 (Rs.)
SCHEDULE - E : INVESTMENTS (TRADE - AT COST)		
In Quoted Shares		
*5440 Equity Shares of Industrial Development Bank of India fully paid up.	442000	442000
*includes 2040 Bonus shares		
	<u>442000</u>	<u>442000</u>
Aggregate Market Value of quoted investments is Rs. 6.45 Lacs (Previous Year Rs. 4.35 Lacs)		



SURAJ VANASPATI LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2007 Rs.	As at 30.06.2006 Rs.
SCHEDULE - F : CURRENT ASSETS LOANS & ADVANCES		
CURRENT ASSETS		
INVENTORIES (As Verified & Valued by Management)		
i) Loose Tools	21222	31822
ii) Stock in Trade		
- Raw Material	19120293	9149128
- Packing Material	4733036	3533341
- Consumables	6076478	5995022
iii) Stock in Process	36250599	14433906
iv) Finished Goods		
- Vanaspati	35784021	47138505
- By Products	957214	141119
	<u>102942863</u>	<u>80422843</u>
CASH & BANK BALANCES		
i) Cash in Hand	373490	241628
ii) Balances with Scheduled Bank		
- in Current Accounts	231141	55880
- Cheques / Drafts in hand	7868902	9525721
	<u>8473533</u>	<u>9823229</u>
SUNDRY DEBTORS (Unsecured & Considered Good)		
Over Six Months	1674724	2624390
Less: Provision for Doubtful Debts	446336	-
Other Debts	30670271	6411477
	<u>31898659</u>	<u>9035867</u>
LOANS & ADVANCES		
(Unsecured and considered good unless otherwise stated)		
I) Advances recoverable in cash or in kind or for value to be received	12994614	1365508
ii) Balance with Excise Department	5847	4210
iii) Custom Duty Deposit (Under Protest)	835706	-
iv) Securities & other deposits (including Rs.20.03 lacs (pre. year Rs.20.03 lacs) paid under protest)	7184864	7382864
v) Income Tax / T.D.S.	4585	21549
vi) Interest Receivable	1166984	371771
vii) Others		
- Unused DEPB	-	7277
- Staff Loans & Imprest	746225	482687
- Insurance Claim receivable	-	9350
	<u>22938825</u>	<u>9645216</u>



SURAJ VANASPATI LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 30.06.2007 Rs.	As at 30.06.2006 Rs.	
SCHEDULE - G : CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
Sundry Creditors			
- Raw Material Suppliers	47974300	7811955	
- Others	8912955	5267510	13079465
(Refer note No.10 of Part B of Schedule 'N' for SSI Units)			
Advances from Customers	7210974		5148351
Security Deposits	8404000		5249000
Other Liabilities	7176817		6045653
PROVISIONS			
Provision for Retirement Benefits	1357548		1137394
Provision for Fringe Benefit Tax (Net of advance paid)	308390		145003
	<u>81344984</u>		<u>30804866</u>
SCHEDULE - H: MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Balance as per last year	20000		40000
Less: Written off to Profit & Loss account	20000		20000
	<u>-</u>		<u>20000</u>
SCHEDULE - I : OTHER INCOME			
Interest received (Gross TDS Rs Nil P.Y. Rs.Nil)	783958		8904
Income from cancellation of Bargains	93335		842525
Cash Discount	732167		1025762
Discount on DEPB	-		22385
Dividends	-		4080
Debts no longer considered as payable (net of debit balance written off)	230102		-
Others	535997		1206271
	<u>2375559</u>		<u>3109927</u>
SCHEDULE - J : INCREASE/(DECREASE) IN STOCKS			
Opening Stock			
Finished Products	47138505	31275170	
Stock in process	14433906	27308077	
By Products	141119	626693	59209940
Closing Stock			
Finished Goods	35784021	47138505	
Stock in Process	36250599	14433906	
By Products	957214	141119	61713530
	<u>11278304</u>		<u>2503590</u>
SCHEDULE - K: RAW MATERIAL CONSUMED			
RAW OIL			
Opening Stock	9149128	28348721	
Add: Purchases (Inclusive of in transit custom duty clearing charges and freight)	1350520317	1131676623	
	1359669445	1160025344	
Less: Closing Stock	19120293	9149128	1150876216
CONSUMABLES			
Packing	72390937	67952769	
Chemicals	7590647	8067090	
Fuel	28713018	29799228	
Others	1593770	2284190	108103277
	<u>1450837524</u>		<u>1258979493</u>



SURAJ VANASPATI LIMITED

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	2006-2007 Rs.	2005-2006 Rs.	
SCHEDULE - L: MANUFACTURING ADMINISTRATIVE AND OTHER OVERHEADS			
MANUFACTURING EXPENSES			
Rates & Taxes	234981	293902	
Repair & Maintenance			
- Plant & Machinery	2150082	1991434	
- Electricals	586149	720330	
Electricity & Water Charges	22297666	23388222	
Excise Duty	-	26091	
Others	460352	485042	26905021
	<u>25729230</u>	<u>485042</u>	
ESTABLISHMENT EXPENSES			
Salaries Wages & Bonus	23059552	23526933	
Staff Welfare Expenses	2188298	2006091	
Contribution to P. F. & Other Funds	2914567	2790208	
Security Expenses	465889	541257	28864489
	<u>28628306</u>	<u>541257</u>	
ADMINISTRATIVE AND OTHER EXPENSES			
Rent	621554	873002	
Telephone & Postage	1030351	1205510	
Legal Professional & Consultancy	734816	807088	
Printing & Stationery	249577	253216	
Conveyance & Vehicle Maintenance	1143817	1413808	
Insurance	543465	663034	
Tours & Travelling	428508	233492	
Repairs & Maintenance	469671	682263	
Charity & Donation	15501	551	
Business Promotion	63209	31184	
Advertisement & Publicity	61724	90672	
Trade / Sales /Turnover Taxes	47730000	38370000	
Freight Outward	15312922	16204513	
Brokerage & Commission	2654028	2726795	
Rebate & Incentives	844501	921324	
Handling Charges	4028277	4441211	
Auditor's Remuneration	254610	287696	
Debts written off (Net)	-	1339421	
Others	618066	1651719	72196499
	<u>76804597</u>	<u>1651719</u>	
	<u>131162133</u>	<u>127966009</u>	
SCHEDULE - M: FINANCIAL CHARGES			
Interest on:			
Working Capital Loan	4219314	4505404	
Other Interest	828333	816707	
Bank Charges	1064779	1212244	
	<u>6112426</u>	<u>6534355</u>	



SURAJ VANASPATI LIMITED

SCHEDULE FORMING PART OF THE BALANCE SHEET AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2007.

SCHEDULE - N: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES:

1. RECOGNITION OF INCOME AND EXPENDITURE:

- a) The accounts are made on historical cost convention on going concern basis and Revenues/Incomes and Costs/Expenditure are generally accounted on accrual, as they are earned or incurred in accordance with the generally accepted accounting principles, applicable accounting standards issued by ICAI and the provisions of the Companies Act, 1956.
- b) The liability towards excise duty on the manufactured goods is accounted for at the time of clearance of the goods from the factory when the same is actually accrued. This has however no substantial impact on the operating results of the Company.
- c) Preliminary Expenses are to be amortised over a period of Five Years.

2. RETIREMENT AND PENSION BENEFITS:

- a) Company's contribution to provident fund and pension fund is charged off to Profit & Loss Account.
- b) In respect of Gratuity, the yearly contribution to the Group Gratuity Scheme of Life Insurance Corporation of India on the basis of actuarial valuation is charged off to the Profit & Loss account.
- c) Leave encashment is accounted for on accrual basis, on the assumption that all eligible employees retire on the balance sheet date.

3. FIXED ASSETS:

- a) Fixed Assets are stated at cost, less accumulated depreciation (other than 'Leasehold Land', where no amortisation is made)
- b) In respect of Finance lease effective from 1.4.2001, the assets is capitalised with corresponding present value. The lease payments are segregated in to interest, charge off to revenue and principal amount adjusted against lease liability. In case of operating lease its lease rental are charged off to profit and loss account.
- c) Assets acquired under Hire Purchase agreement are capitalised and the outstanding principal is shown as creditors for Hire Purchase.

4. METHOD OF DEPRECIATION AND AMORTISATION:

- a)
 - i) 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;
 - (ii) In view of the amendment in Schedule XIV, depreciation on assets costing upto Rs.5000/- are depreciated at the rate of 100% on pro-rata basis except those which constitute more than 10% of the total actual cost of Plant and Machinery on which the applicable rate to such Plant and Machinery is charged.
- b) Depreciation on additions to assets or on sale/ discard of assets, is calculated pro-rata from the date of such addition or up to the date of such sale/ discard, as the case may be .
- c) No amounts are written off against Leasehold Land by way of amortisation.

5. INVESTMENTS:

Investments are stated at cost or at book value, which is arrived at after addition thereto Income accrued, wherever applicable. Any diminution of permanent nature in the value of investment is charged to revenue.



SURAJ VANASPATI LIMITED

6. VALUATION OF INVENTORIES:

Type of Inventory	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 and establishment overheads, applicable taxes, interest on working capital and depreciation relating to units of production.

7. RESEARCH AND DEVELOPMENT:

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

8. EXPENDITURE DURING CONSTRUCTION AND ON NEW PROJECTS:

In the case of expansion, all expenditure, directly related to the expansion including interest on borrowings for the project, incurred upto the date of installation, are capitalised and added pro-rata to the cost of factory buildings and plant and machinery relating thereto.

9. INCOME TAX

Provision for current Income Tax is made on the basis of estimated taxable income. 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 recognised unless there is strong circumstances exists for its adjustment / realisation in near future.

10. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency transactions during the year are recorded at rates of exchange prevailing on the date of transaction. Current Assets and Current Liabilities are translated at using the year-end exchange rate. Exchange gains and losses are duly recognised in the Profit and Loss Account.

11. PROVISIONS AND CONTINGENCIES:

A Provision is recognised 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 of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

B. NOTES TO THE ACCOUNTS:

1. Contingent Liabilities not provided for:

- Rs. 20.03 Lacs (Previous year Rs.20.03 Lacs) on account of claims for electricity charges by UPSEB not acknowledged as debt excluding consequential interest, if any and for which guarantees have been invoked by UPSEB in April 2001. The matter is sub-judiced before Allahabad High Court.



SURAJ VANASPATI LIMITED

- (b) Rs. 124.86 Lacs (Previous year Rs. 124.86 Lacs) on account of demand raised by the sales tax authorities for the year 1996-97 pending under appeal.
- (c) Rs. 0.16 Lacs (Previous year Rs. 0.16) on account of Payment made to Trade Tax Authorities pending for final Assessment.
- d) Rs.8.36 Lacs (Previous year Rs.Nil) on account of demand raised by Custom authorities and against which the company has deposited an amount of Rs.8.36 Lacs(Previous year Rs.Nil) under protest which has been shown under the head Loans & Advances (Schedule F) in such accounts.
2. In the opinion of the Directors and to the best of their knowledge and belief, the value on realisation of current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.
3. Balances of sundry debtors, sundry creditors, loans & advances are subject to confirmation from some of the parties.
4. Fixed assets installed and put to use have been certified by the management & relied on by the auditors being a technical matter.
5. Particulars in respect of Capacities, Production, Stocks and Sales.
- a) Manufacturing Operations:

Class of goods	Installed Capacity		Opening Stock		Actual Production		Closing Stock		Sales	
	(M.T.)	Qty.	Value	Qty.	Qty.	Value	Qty.	Value	Qty.	Value
	(P.A.)	(M.T)	(Rs.lacs)	(M.T)	(M.T.)	(Rs.lacs)	(M.T.)	(Rs.lacs)	(M.T.)	(Rs.lacs)
Vanaspati & Refined Oil	49500	984.064	471.39	29734.193	669.465	357.84	30048.792	15076.61		
Previous years' figures	49500	759.875	312.45	30659.101	984.064	471.39	30434.912	13055.40		

- (i) Out of the total installed capacity of 49,500 MT per annum, the capacity to produce Vanaspati is only 37,500 MT per annum.
- (ii) The installed capacity and the date of installation of machinery is as per certificate given by the Company's technical expert and relied on by the auditors, being a technical matter.
- (iii) Capacities are expressed on the basis of triple shift working of the Factory.
- (iv) Sales quantity includes loss in transit/ theft/ samples of 6.561 M.T. (Previous year 12.2360 M.T.), in case of Vanaspati.
- (v) The production quantity is net of quantity rejected and reprocessed.
6. ANALYSIS OF MATERIAL CONSUMED:

Class of Goods	Unit	Current Year		Previous Year	
		Quantity	Value (Rs. in lacs)	Quantity	Value (Rs. in lacs)
a) Raw Oil	MT.	30895.900	13405.49	31777.970	11508.76
b) Fuel	—		287.13		297.99
c) Packing	—		723.90		679.53
d) Chemicals	—		75.91		80.67
e) Othersm	—		15.94		22.84
Total			14508.37		12589.79



SURAJ VANASPATI LIMITED

7. Value of imported and indigenous raw materials, spare parts and components consumed and the percentage of each to the total Consumption :Consumption:

Particulars	Current Year				Previous year			
	Raw Material		Spare parts and Components		Raw material		Spare parts and Components	
	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption
Imported	1430.12	9.86%	-	-	3,684.04	29.26%	-	-
Indigenous	13078.25	90.14%	-	-	8,905.75	70.74%	-	-

8. Auditors Remuneration (including paid to concurrent auditors)::

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Statutory Audit Fee	80,000	80,000
Tax Audit Fee	10,000	10,000
Concurrent Audit Fees	89792	88,160
Certification & Other Expenses	58718	80,049
Out of Pocket Expenses (Including Service Tax)	16100	29,487
Total	254,610	287,696

9. Remuneration to Managing Director/ Whole Time Directors:

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
Salary	307434	614,693
Perquisites/Other allowances	16953	0
Contribution to Provident Fund	22824	47,200
Total	347211	661,893

10. As informed and identified by the management, sundry creditors include an aggregate sum of Rs.13,48,476/- (Previous Year: Rs. 5,63,074/-) due to small-scale industrial undertakings. Out of the said amount, a sum of Rs.595/- (Previous Year: Rs. 74,944/-) is outstanding for a period exceeding 30 days.

i) Aadi Packaging Industries , ii) Supreme Industries

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. Expenditure in Foreign Currency (Rs in Lacs)

	<u>Current Year (Rs.)</u>	<u>Previous Year (Rs.)</u>
	NIL	NIL

12. The value of Imports by the company on C.I.F. basis during the financial year is Rs. 982.08 Lacs (Previous Year Rs. 1,909.60 Lacs).

13. The company had made reference to Board for Industrial and Financial Reconstruction (BIFR), under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, due to complete erosion of its net worth as on 30th June 2000. The company was thereafter declared a Sick company by BIFR vide its order dated 28.5.2001. As per the rehabilitation scheme sanctioned by the BIFR vide order dated 22.4.2002, and agreed to by IDBI, the entire amount of interest and other charges accrued and payable to IDBI till the specified cut off date i.e. 30.6.2001, had been waived off and only the principal amount of loan amounting to Rs. 650 lacs was repayable by way of conversion of 20% of principal amount in to Equity share of the company at par and the remainder 80% of principal loan amount was repayable in cash over a period of next five years. During the year under report all the liabilities towards IDBI have been satisfactorily discharged and therefore there shall not be any impact on these accounts in respect of right to reversal of waiver of interest and other charges which was available to IDBI in case of default in repayment.

14. As per the rehabilitation scheme sanctioned by BIFR, Punjab National Bank (PNB) has agreed to charge interest at the prime lending rate (PLR) with effect from 1.7.2001. However, PNB shall have a right to recompense for the losses / sacrifice undertaken by it and enhance the rate of interest, if in its opinion the profitability of the company or its cash flow so warrants.

15. In accordance with the Rehabilitation Scheme sanctioned by BIFR, the Government of U. P. has deferred the Trade Tax / Compounding Tax / State Development Tax/ Turnover Tax amounting in aggregate to Rs. 2148.83 Lacs (P.Y. Rs. 1671.49 Lacs) and power charges amounting to Rs. 1104.55 Lacs (P.Y. Rs 881.58 Lacs) . A part of the amount of deferred Trade Tax amounting to Rs. 446.00 Lacs (P.Y. Rs 446.00 Lacs) has already been converted into interest free loan by PICUP during the year 2002-2003. The rest of the deferred payment liability, as extended, on account of Trade Tax / Compounding Tax / State Development Tax and power charges being in the nature of deferred credit has been shown under the head Loan Fund in the accounts.



SURAJ VANASPATI LIMITED

16. The indications listed in paragraph 8 to 10 of Accounting Standard 28 on Impairment of Assets, (issued by the Institute of Chartered Accountants of India), have been examined and on such examinations, it has been found that none of the indicators are, prima facie, present in the case of the company. A formal estimate of the recoverable amount has not been made, as there is no indication of a potential impairment loss, as per the management.

17. Basic and Diluted Earning Per Share

The Basic and Diluted Earning Per Share has been arrived as follows:

BASIC & DILUTEDEARNING

Particulars	<u>2006-07</u>	<u>Rupees</u> <u>2005-06</u>
Profit after extra-ordinary items		
Profit/ (Loss) for the year	(71163089)	(81951835)
Profit before extra-ordinary items		
Profit/ (Loss) for the year	(71163089)	(81951835)
Less: Trade Tax (Earlier years)	—	—
Less: Prior period expenses	(494912)	(772279)
Less: Loss on Sale of Investment	—	(9850000)
Less : Provision for diminution in value of investments	—	—
Add: Prov.for diminution in value of investments	—	—
Written back	—	(9999900)
	<u>(71658001)</u>	<u>(81329456)</u>
No of weighted average equity shares - Basic	7930000	7930000
Nominal Value of Equity Shares Rs.	10	10

BASIC & DILUTED EARNING PER SHARE (Rs.)

After extra-ordinary items	(8.97)	(10.33)
Before extra-ordinary items	(8.91)	(10.26)

18. Provision for Income Tax

- a) The provision for the current Income Tax is not considered necessary for the financial year 2006-2007 in view of the brought forward business loss, unabsorbed depreciation allowance, other deductions and benefits under the provisions of Income Tax Act, 1961.

b) Deferred Tax

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

<u>Deferred Tax Assets</u>	<u>2006-2007</u>	<u>2005-2006</u>
i) Provision for Bonus & Leave Encashment	4.18	0.67
ii) Unabsorbed Depreciation as per IT Act	176.40	166.86
iii) Unabsorbed Business Loss	275.36	286.36
iv) Unabsorbed Capital Loss	0.00	42.57
v) Deferred Trade Tax	532.89	371.48
Total	988.83	867.94
Deferred Tax Liabilities		
i) Fixed Assets (WDV)	123.58	146.58
Total	123.58	146.58
Accumulated Deferred Tax Assets (Net)	865.25	721.36
Increase/ (decrease) in net Deferred Tax Asset for the year	143.89	463.56

- c) Since the net effect of tax due to timing difference results in Net Deferred Tax Asset, as at the Balance Sheet date, the same has not been recognised in the accounts on conservative basis.

- d) Deferred tax has been calculated as on March 31st, 2007 by following the fiscal year, as the depreciation as per income tax and other allowances/losses are calculable only for fiscal year ending March 31st, 2007. However, it is expected that this method shall not affect substantially the deferred tax asset as calculated above.



SURAJ VANASPATI LIMITED

19. Related Party Disclosures

The information given below is only in respect of the transactions entered into by the company or any outstanding, during the year with the related parties.

a) Names of Related Parties and description of Relationship:

(i) Key Managerial Personnel:

(a) Gopal Das Agrawal	Whole Time Director
(b) S K Jain	Director
(c) Inder Mani Mittal	Director
(d) J.K. Jain	Managing Director (Resigned w.e.f 01.01.2007)
(e) Vikas Gupta	President Works (Resigned w.e.f 01.08.2005)
(f) S C Singhal	Whole Time Director (Resigned w.e.f 01.01.2006)
(g) Ramesh Gupta	Whole Time Director (Resigned w.e.f. 23.10.2005)

(ii) Associate Company :-

- Suraj Solvent & Vanaspati Industries Ltd. (Ceased to be in related party relationship w.e.f. 1.1.2007)
 - Beetal Financial & Computer Services Pvt. Ltd. (Ceased to be in related party relationship w.e.f. 22.10.2005)
- b) Transactions between related parties during the existence of related party relationship and balances outstanding as at the year-end in respect of transactions entered into during the year with the Related Parties:

	2006-2007		(Rs. in Lacs) 2005-2006	
	Associate	Key Managerial Personnel	Associate	Key Managerial Personnel
Expenditure				
a) Payments to and provisions for employees	—	3.47	—	8.69
b) Staff Welfare	—	—	—	—
c) Purchase of Raw Oil	—	—	177.77	—
d) Share Transfer Expenses	—	—	0.39	—

The above disclosure does not include transactions entered into after the cessation of the related party relationship.

- The company is primarily engaged in the business of Manufacturing of Vanaspati and Refined Oil. The Management has identified the above business as primary business segment and the same has been identified for the analysis and review of performance of the company.
- Previous year figures have been regrouped/ restated wherever considered necessary to conform with the current year figures.
- Information pursuant to Part IV of Schedule VI to the Companies Act, 1956 as regards Balance Sheet abstract and general profile of the company is annexed separately.

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

Sd/
(SANAM GAMBHIR)
Director

Sd/
(GOPALDAS AGGARWAL)
Whole Time Director

Place : NOIDA

Date : November 26, 2007



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

BALANCESHEET ABSTRACT AND COMPANY GENERAL BUSINESS PROFILE

I. Registration Details

Registration No.

		1	1	0	0	4
--	--	---	---	---	---	---

State Code

2	0
---	---

Balance Sheet Date

3	0
---	---

0	6
---	---

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

Date Month Year

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

Public Issue

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

Rights Issue

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

Bonus Issue

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

Private Placement

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

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

Total Liabilities

				4	9	6	2	6	8
--	--	--	--	---	---	---	---	---	---

Total Assets

				4	9	6	2	6	8
--	--	--	--	---	---	---	---	---	---

Source of Funds

Paid-up Capital

				7	9	3	0	0
--	--	--	--	---	---	---	---	---

Reserve & Surplus

				2	2	0	8	1
--	--	--	--	---	---	---	---	---

Secured Loans

				1	1	1	1	4	8
--	--	--	--	---	---	---	---	---	---

Unsecured Loans

				2	8	3	7	3	9
--	--	--	--	---	---	---	---	---	---

Application of Funds

Net Fixed Assets

				5	6	7	1	9
--	--	--	--	---	---	---	---	---

Investments

				4	4	2
--	--	--	--	---	---	---

Net Current Assets

				8	4	9	0	9
--	--	--	--	---	---	---	---	---

Miscellaneous Expenditure

									-
--	--	--	--	--	--	--	--	--	---

Accumulated Losses

				3	5	4	1	9	8
--	--	--	--	---	---	---	---	---	---



SURAJ VANASPATI LIMITED

IV. Performance of the Company

Turnover										Total Expenditure										
			1	5	2	7	7	8	6				1	5	9	8	1	9	3	
Profit/(Loss) Before Tax										Profit (Loss) After Tax										
			(	7	0	9	0	2	)				(	7	1	1	6	3)	
Earning per Share in Rs.										Dividend Rate %										
			(8		9	7)										N	I	L

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

	Vanaspati & Refined Oil												
Item Code No.						1	5	1	6	2	0		
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		

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

Sd/-
(SANAM GAMBHIR)
 Director

Sd/-
(GOPALDASAGGARWAL)
 Whole Time Director

Place : Noida
 Date : November 26, 2007



SURAJ VANASPATI LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2007

	2006-2007	(Rs. in lacs) 2005-2006
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extra ordinary items	(71163088)	(81951835)
Adjustment for:		
Depreciation	9600011	9661959
Interest Paid	6112426	6534355
Interest Received	(783958)	(8904)
Fixed Assets Written off	14405	225764
Miscellaneous Expenses Written off	20000	20000
Diminution in value of Investments	0	0
Prior Period Adjustment	(494912)	(772279)
Operating Profit before Working Capital Changes	(56695116)	(66290940)
Adjustment for:		
Inventories	(22520020)	19295312
Trade & Other Receivables	(36156401)	34157886
Trade Payables & Other Liabilities	50540118	(43531418)
Cash Generated from Operations	(64831419)	(56369160)
Less : Interest Paid	(6112426)	(6534355)
Direct Taxes	0	0
Cash Flow before Extraordinary Items	(70943845)	(62903515)
Extraordinary Items		
Prior Period Adjustment	494912	772279
Net Cash from Operating Activities.....A	(70448933)	(62131236)
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets / C. W. I. P.	(323170)	(149347)
- Sale of Investments	0	100
- Interest Received	783958	8904
Net Cash from Investing Activities.....B	460788	(140343)
C) CASH FLOW FROM FINANCING ACTIVITIES		
i) Increase in Share Capital	0	0
ii) Borrowings (Net)	68031189	53552119
iii) Increase in Working Capital Loan	607260	11770751
Net Cash from Financing Activities.....C	68638449	65322870
D) NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENTS (A + B + C)	(1349696)	3051291
Opening Cash & Cash Equivalents	9823229	6771938
Closing Cash & Cash Equivalents	8473533	9823229

Notes : i) Figures in brackets represent outflows.

ii) Cash & Cash Equivalents do not include Fixed Deposits pledged with Bank and accrued interest thereon as the same are not readily convertible into cash.

For: TAS ASSOCIATES
Chartered Accountants

Sd/-
(SUBODH GUPTA)
Partner

M. No. 087099

Place : Noida

Date : November 26, 2007

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

Sd/-
(SANAM GAMBHIR)
Director

Sd/-
(GOPALDAS AGGARWAL)
Whole Time Director



SURAJ VANASPATI LIMITED
 Registered Office : A-26, UPSIDC Industrial Area
 Sikandrabad, Distt., Bulandshahr (U.P.)

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 EIGHTEENTH ANNUAL GENERAL MEETING of the
 Company to held at on
 the day 2007 at
 and at any adjournment thereof.

Affix 100
 paisa
 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 VANASPATI 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 EIGHTEENTH ANNUAL GENERAL
 MEETING at

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

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

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Noida, U.P.