

30th
ANNUAL REPORT
2011-2012

SAGAR SOYA PRODUCTS LIMITED

SAGAR SOYA PRODUCTS LIMITED

ANNUAL REPORT 2010-2011

BOARD OF DIRECTORS : Mr. Arvindbhai C Patel Chairman & CEO
Mr. Gaurav D Patel Director & CEO
Mr. Chandrakant Patel Independent Non-Executive Director
Mr. Arun Kumar Sharma Independent Non-Executive Director

REGISTERED OFFICE : C.J. Complex,
Mahatama Gandhi Road
Sagar – 470002
Madhya Pradesh

AUDITORS : O. T. Gandhi & Co.
Chartered Accountants,

BANKERS : HDFC Ltd, Parkota Ward, Sagar
State Bank of India, M.G. Road Branch, Sagar

SHARES LISTED AT : **The Bombay Stock Exchange Limited,**
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

Madhya Pradesh Stock Exchange Limited,
201, 'Palika Plaza', Phase-II, M.T.H. Compound,
Indore - (MP) 452 001

The Ahmedabad Stock Exchange Limited,
Kamdheni Complex, Opp Shahajanand College,
Panjara Pole, Ahmedabad – 380 015

30 th ANNUAL GENERAL MEETING	
Date	: 28 th September, 2012
Day	: Friday
Time	: 1.00 p.m.
Place	: C.J. Complex, Mahatama Gandhi Road Sagar – 470002, Madhya Pradesh

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE **30th ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SAGAR SOYA PRODUCTS LIMITED** WILL BE HELD ON **FRIDAY THE 28th DAY OF SEPTEMBER, 2012 AT 1.00 P.M.** AT THE **REGISTERED OFFICE** OF THE COMPANY SITUATED AT C.J. COMPLEX, MAHATAMA GANDHI ROAD, SAGAR – 470002, MADHYA PRADESH, TO TRANSACT THE FOLLOWING BUSINESS.

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March 2012 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Chandrakant Patel, Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion 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 Mr. Arun Kumar Sharma who was appointed as an Additional Directors on 16th January, 2012 by the Board of Directors of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and who holds office only up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to provisions of Section 257 of the Act proposing his candidature for the office of Director be and is hereby appointed as Directors of the Company who is liable to retire by rotation.”

“RESOLVED FURTHER THAT any Director of the Company be and is hereby severally authorized to do all such deeds, action and things as may be necessary for effecting the above resolution.”

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

“RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 314, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), (hereinafter referred to as “the said Act”) the consent of the Company is hereby accorded for the Appointment of Mr. Gaurav Patel as Managing Director of the Company for a period of 3 (Three) years with effect from January 16, 2012 on honorary basis.”

By Order Of the Board
FOR SAGAR SOYA PRODUCTS LIMITED

Date : 30th May, 2012
Place : Sagar

Sd/-
Director

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company.
2. **The Proxy Form to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.**
3. The Register of Members and Share Transfer Register shall remain closed from Saturday, the **22nd Day of September, 2012** to Friday, the **28th September, 2012** (both days inclusive).
4. As a measure of economy, copies of the Annual Reports and Accounts will not be distributed at the Meeting. Members are therefore, requested to bring their copies to the meeting.
5. Members/Proxies are requested to produce the attendance slip duly signed, sent along with the Annual Report and Accounts, for admission to the meeting hall.
6. Members who are holding shares in identical order or names in more than one folio are requested to write to the company to enable the company to consolidate their holdings in one folio.

SAGAR SOYA PRODUCTS LTD

EXPLANATORY STATEMENT

As required by Section 173 (2) of the Companies Act, 1956.

Item No. 4

Mr. Arun Kumar Sharma was appointed as an Additional Director by the Board of Directors of the Company at their meeting held on 16th January, 2012.

By virtue of provisions of Section 260 of the Companies Act, 1956, he would hold office only up to the date of this Annual General Meeting of the Company. The Company has received notice pursuant to section 257 of the Companies Act, 1956, proposing the candidature of Mr. Arun Kumar Sharma as Director of the Company.

The resolution for appointing him as a Director of the Company is put forward to you to be passed as an Ordinary Resolution.

None of the Directors except Mr. Arun Kumar Sharma are interested in the above resolution.

Item No. 5:

As recommended by the Remuneration Committee and approved by the Board of Directors of the Company, at its meeting held on January 16, 2012, Mr. Gaurav Patel, is Appointed as an Managing Director of the Company for a period of 3 (Three) years with effect from January 16, 2012 on a honorary basis.

Mr. Gaurav Patel will serve as a Managing Director on the Board of the Company from January 16, 2012.

The terms & conditions proposed to be entered into by the Company with Mr. Gaurav Patel, in respect of his appointment, inter alia, contains the following terms and conditions:

MAJOR TERMS OF REMUNERATION OF MR GAURAV PATEL, MANAGING DIRECTOR:

I. TERMS & CONDITIONS:

General Terms

Name of Director	:	Mr. Gaurav Patel
Designation		Managing Director
Date of Appointment	:	Appointment w.e.f. January 16, 2012
Period	:	3 (Three) years.
Salary (p.m)	:	On honorary basis

- II. The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- III. The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.
- IV. The terms and conditions of the said appointment and/or may be altered and varied from time to time by the board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule XIII the Companies Act, 1956, or any amendment hereafter in that regard.

None of the Directors of the company, except Mr. Gaurav Patel and Mr. Arvindbhai C Patel are considered to be interested or concerned in this resolution.

These Terms & Conditions of appointment may be treated as abstracts between the company & Mr. Gaurav Patel, Managing Director.

In the beneficial interest of the Company, your Directors recommend the resolution for your approval.

DIRECTORS' REPORT

To,
The Members
Sagar Soya Products Limited

Your Directors have great pleasure in presenting **30TH ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31st March, 2012.

1. FINANCIAL RESULTS

The financial Results are briefly indicated below:

PARTICULARS	(Amt in `)	
	YEAR ENDED	
	31.03.2012	31.03.2011
Total Income	519,453.44	1083639.90
Total Expenditure	1,063,139.00	1204932
Profit/(Loss) before Taxation	(543,685.56)	(121,292.10)
Profit/(Loss) after Taxation	(543,685.56)	(121,292.10)
Profit/(Loss) Brought Forward	(124145735.18)	(124,024,443.08)
Balance carried to Balance Sheet	(124,689,420.74)	(124,145,735.18)

2. REVIEW OF OPERATIONS

The Company has incurred losses of ` **543,685.56/-** during the financial year. Your Directors expects to achieve better performance in the future and are taking maximum efforts to control the costs and optimize the results in the coming years.

3. DIVIDEND

In view of losses your Directors do not recommend any dividend as such.

4. DEPOSITS

The company has not accepted any deposits from the Public therefore provisions of Section 58A and Companies (Acceptance of Deposits) Rules 1975 are not applicable to the Company.

5. PARTICULARS OF EMPLOYEES

There were no employees during the whole or part of the year who were in receipt of remuneration in excess of limits as set out in terms of the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975 as amended.

6. DIRECTORS

During the year Mr. Arun Kumar Sharma was appointed as an Additional Independent Director and Mrs. Naina Ben Patel and Mr. Umesh Richharia resigned from Directorship with effect from 16th January, 2012.

Mr. Gaurav Patel is appointed as Managing Director with effect from 16th January, 2012 for a period of three years. The resolution for the appointment of the Managing Director is placed before you in the Annual General Meeting. The Directors recommend his appointment.

Mr. Chandrakant Patel, Director is retiring by rotation in terms of provisions of Companies Act, 1956 and is eligible for re-appointment. The resolution for appointment of Director is placed before you in the Annual General Meeting.

7. SUBSIDIARIES:

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

8. DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors hereby confirms:

SAGAR SOYA PRODUCTS LTD

- i. That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments 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 and of the Profit or Loss of the Company for that period.
- iii. That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the Annual accounts on a going concern basis.

9. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure and marked as 'Annexure A' forming part of this report.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO.

During the year under review, besides the transactions reported elsewhere, there were no other Foreign Exchange transactions.

11. AUDITORS

M/s O. T. Gandhi & Co., Chartered Accountants, Indore, Statutory Auditors of your company holds office until the conclusion of the forthcoming Annual General Meeting. They have signified their willingness to accept re-appointment as Statutory Auditors of the Company and further have confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

12. AUDITORS REPORT:

Since notes to account are self explanatory, no further explanation is given by the Board as such.

13. COMMITTEES OF THE BOARD

Pursuant to Section 292A of the Companies Act, 1956 and clause 49 of Listing Agreement the Company has formed Audit Committee. Besides this the Company has also formed Shareholder / Investor Grievance Committee to redress investors' complaint, if any.

14. CORPORATE GOVERNANCE REPORT

The Company has obtained Corporate Governance Report from **HS Associates, Company Secretaries** and is annexed hereto and forming part to this Report. A separate section of Corporate Governance as complied by the Company is annexed hereto marked as Annexure B and forming part of this report.

15. ACKNOWLEDGEMENTS

Your Company wishes to sincerely thank all the customers, commercial banks, financial institution, creditors etc. for their continuing support and co-operation.

Your Directors express their appreciation for the dedicated and sincere services rendered by the employees of the company and also sincerely thank the shareholders for the confidence reposed by them in the company and from the continued support and co-operation extended by them. .

By Order Of The Board
For **SAGAR SOYA PRODUCTS LIMITED**

Sd/-

ARVIND C. PATEL
CHAIRMAN

Date : 30th May, 2012
Place : Sagar

ANNEXURE-"A" to the Report of Board of Directors

- A. Conservation of Energy
- Company is using power connection obtained from MPEB. However your company has taken steps like optimization of outputs, controlling idle running of machine etc. to conserve the energy consumption.
 - Additional investments and proposal, if any being implemented for reduction of consumption of energy are not proposed at this stage, as it is not feasible economically.
 - Impact of above measures:
There has been reduction in the cost of production as batches of production could be undertaken in shorter period.
 - Total energy consumption per unit of production as per Form-A is given hereunder.
- B. Form-B regarding Research and development and technology absorption is not enclosed due to the fact that there is at present no scope for R&D and absorbing any new technology in view of type of product which is accepted by the customers. However, your company shall certainly go for it in future if any new development in technology takes place.
- C. Foreign exchange earning and outgo:
- | | | | |
|----------|----------|-------|-------|
| Earnings | Earnings | Outgo | Outgo |
| C.Y. | P.Y. | C.Y. | P.Y. |
| - | - | - | - |

By Order Of The Board

For SAGAR SOYA PRODUCTS LIMITED

Sd/-

ARVIND C. PATEL

CHAIRMAN

Date : 30th May, 2012

Place : Sagar

**ANNEXURE
FORM-A (See rule 2)**

Disclosure of particulars with respect to conservation of energy

A. Power & Fuel Consumption**Electricity**

		<u>Current Year</u>	<u>Previous Year</u>
a	Purchased Units	-	-
	Total Amount	-	339573
b	<u>Diesel</u>		
	Units	-	-
	Amount	-	-
c	<u>Hexagane</u>		
	Units	-	-
	Amount	-	-
d	<u>Gas</u>		
	Units	-	-
	Total Amount	-	-
	Rate/Unit	-	-
e	<u>Coal</u>		
	Quantity(MT)	-	-
	Total cost	-	-
	Amount	-	-
f	<u>Furnace oil</u>		
	Quantity	-	-
	Total cost	-	-
	Average rate	-	-
g	<u>Others/internal generation</u>		
	Total cost	-	-
	Cost /unit	-	-

By Order Of The Board

For SAGAR SOYA PRODUCTS LIMITED

Sd/-

ARVIND C. PATEL

CHAIRMAN

Date : 30th May, 2012

Place : Sagar

SAGAR SOYA PRODUCTS LTD

ANNEXURE B TO THE DIRECTORS REPORT

COMPANY'S PHILOSOPHY:

The Corporate Governance code as introduced by Security and Exchange Board of India (SEBI) in pursuance of clause 49 of Listing Agreement is became applicable to the company by December 2005. The same has been implemented by the Company from December 2005.

The Company believes in maximum utilization of resources at minimum cost and attaining maximum long-term shareholders value.

BOARD OF DIRECTORS:

The Board of the Company comprises of 4 (Four) Directors, out of which 2 (Two) Directors are Executive Directors and 2 (Two) are Independent Non Executive Directors of the Company. There is no nominee or Institutional Directors in the Company.

None of Directors has pecuniary or Business relationship with the Company other than as mentioned elsewhere in Annual Report. No Director of the Company is either member in more than 10 (Ten) committees and/or Chairman of more than 5 (Five) committees across all Companies in which he is Director.

During the year, there were in total **9 (Nine)** Board Meetings were held. The time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes. The dates on which the Board Meeting was held are as follows:

26.04.2011; 29.07.2011; 12.08.2011; 20.08.2011; 28.10.2011; 14.11.2011; 16.01.2012; 27.01.2012; 15.02.2012.

The following table gives the attendance of the Directors at Board Meetings of the Company and also other Directorship in other Companies and Chairmanship/Membership in Board Committees of public limited companies:

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at Last AGM	No. Of Other Directorship	No. of Other Committee membership in other Companies
1.	Mr. Arvindbhai C Patel	Chairman	9	Yes	3	Nil
2.	Mr. Gaurav D Patel	Managing Director	9	Yes	Nil	Nil
3.	Mr. Chandrakant Patel	Independent Non Executive Director	9	Yes	Nil	Nil
4.	Mr. Arun Kumar Sharma	Additional Independent Non Executive Director	2	No	4	2

None of the Non-executive Directors are paid any remuneration as defined as per the provisions of Companies Act, 1956.

A brief Resume of Director seeking appointment/re-appointment at the forthcoming Annual General Meeting in pursuance of Clause 49 VI (IA) of the Listing Agreement is given hereunder:

Resume of Mr. Chandrakant Patel

Name of Director : Mr. Chandrakant Patel
Age : 57 years
Qualification : Undergraduate
Expertise in functional Area : Marketing & Procurement of Commodity items
Directorship in other Indian Public Limited
Companies and other firms as on 31st March, 2012. : Nil