

**31<sup>st</sup>**  
**ANNUAL REPORT**  
**2012-2013**

**SAGAR SOYA PRODUCTS LIMITED**

## SAGAR SOYA PRODUCTS LIMITED

### ANNUAL REPORT 2012-2013

**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  
Bank of Baroda, Sagar Branch

**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,**  
Kamdhenu Complex, Opp Shahajanand College,  
Panjara Pole, Ahmedabad – 380 015

31 <sup>st</sup> ANNUAL GENERAL MEETING	
<b>Date</b>	: 30 <sup>th</sup> September, 2013
<b>Day</b>	: Monday
<b>Time</b>	: 1.00 p.m.
<b>Place</b>	: C.J. Complex, Mahatama Gandhi Road Sagar – 470002, Madhya Pradesh

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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE **31<sup>ST</sup> ANNUAL GENERAL MEETING** OF THE MEMBERS OF **SAGAR SOYA PRODUCTS LIMITED** WILL BE HELD ON **MONDAY THE 30<sup>TH</sup> DAY OF SEPTEMBER, 2013 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 31<sup>st</sup> March 2013 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 Arun Kumar Sharma , 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 Annul General Meeting and to fix their remuneration.

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favor of Banks/Financial Institutions and other investing agencies to secure Rupee/foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company, provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 25,00,00,000/- (Rupees Twenty Five Crores.)

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution”.

5. To Consider and if thought fit , to pass, with or without modification, the following resolution as an **Ordinary Resolution** :

**“RESOLVED THAT** pursuant to the provisions of Section 293(1)(d) of the Companies Act, 1956 and other enabling provisions, if any, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of moneys for and on behalf of the Company, from time to time from any one or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts and advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed Rs. 25,00,00,000/- (Rupees Twenty Five Crores) at any point of time on account of the principal.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things, as well as to execute all such documents, instruments and writings as may be required in order to give effect to the above resolution”.

By Order Of the Board  
**FOR SAGAR SOYA PRODUCTS LIMITED**

Date : 30<sup>th</sup> May, 2013  
Place : Sagar

Sd/-  
Director

## **SAGAR SOYA PRODUCTS LTD.**

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### **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 Monday, the **23<sup>rd</sup> Day of September, 2013** to Monday, the **30<sup>th</sup> September, 2013** (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.

### **EXPLANATORY STATEMENT**

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

#### **Item No. 4 and 5**

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of a Public Company cannot borrow money (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the Company's Paid-up Capital and Free Reserves (that is reserves not set apart for any specific purpose) without the consent of the shareholders in the General Meeting.

Further, borrowings from Banks and other Financial Institutions may be secured by creating charge on properties of the Company or any other like manner.

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of a Public Company cannot sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking without the consent of the shareholders in the General Meeting.

The Company is in process of restructuring the business operations and therefore the company may have to borrow money from Banks and other financial institutions in excess of its paid up share capital and free reserves by creating charge on the properties of the Company. Therefore in light of proposed restructuring, your Directors recommend resolution set out at Item No. 4 and 5 to the notice as **Ordinary Resolution(s)**.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution

By Order Of the Board  
**FOR SAGAR SOYA PRODUCTS LIMITED**

Date : 30<sup>th</sup> May, 2013  
Place : Sagar

Sd/-  
Director

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To,  
The Members  
Sagar Soya Products Limited

Your Directors have great pleasure in presenting **31<sup>st</sup> ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31<sup>st</sup> March, 2013.

**1. FINANCIAL RESULTS**

The financial Results are briefly indicated below:

PARTICULARS	(Amt in `)	
	YEAR ENDED	
	31.03.2013	31.03.2012
Total Income	48,21,790.40	519,453.44
Total Expenditure	57,45,711.00	1,063,139.00
Profit/(Loss) before Taxation	(9,23,920.60)	(543,685.56)
Profit/(Loss) after Taxation	(9,23,920.60)	(543,685.56)
Profit/(Loss) Brought Forward	(124,689,420.74)	(124,145,735.18)
Balance carried to Balance Sheet	(125,613,341.34)	(124,689,420.74)

**2. REVIEW OF OPERATIONS**

The Company has incurred losses of **Rs. 9,23,920.60/-** 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**

Mr Arun Kumar Sharma , Director retiring by rotation in terms of provision of Articles of Association of the Company and is eligible for re-appointment. The resolution for appointment of Director is also 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:

- That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 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.

## **SAGAR SOYA PRODUCTS LTD.**

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- 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. FORFEITURE OF SHARES**

The Board of Directors of the Company at their meeting held on 30<sup>th</sup> May, 2013 have initiated the process of forfeiting the shares of those shareholders whose call money is unpaid. Accordingly, letters to those shareholders whose call money is unpaid are being issued asking call money.

### **10. 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.

### **11. FOREIGN EXCHANGE EARNINGS AND OUTGO.**

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

### **12. 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.

### **13. AUDITORS REPORT:**

Since the explanation given in the Auditor's Report are self explanatory, no further comments by the Board of Directors is provided as such.

### **14. 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.

### **15. REVOCATION OF SUSPENSION OF TRADING IN EQUITY SHARES**

The trading of Equity Shares of the Company was suspended by Bombay Stock Exchange due to non compliance of various clauses of listing agreement. However with the continued efforts of Board of Directors of your Company the suspension of trading of Equity Shares of the Company was revoked by Bombay Stock Exchange with effect from 7<sup>th</sup> January, 2013. The shares of the Company are now freely tradable.

### **16. 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.

### **17. 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 : 30<sup>th</sup> May, 2013  
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:  
There were no Foreign Exchange Earnings or outgo during the financial year ended March 31, 2013

By Order Of The Board

**For SAGAR SOYA PRODUCTS LIMITED**

Sd/-

**ARVIND C. PATEL**  
CHAIRMANDate : 30<sup>th</sup> May, 2013  
Place : Sagar**ANNEXURE  
FORM-A (See rule 2)**

Disclosure of particulars with respect to conservation of energy

## A. Power &amp; Fuel Consumption

**Electricity**

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

By Order Of The Board

**For SAGAR SOYA PRODUCTS LIMITED**

Sd/-

**ARVIND C. PATEL**  
CHAIRMANDate : 30<sup>th</sup> May, 2013  
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 Four (4) 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:

**30.05.2012; 14.08.2012; 09.11.2012 and 15.02.2013**

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 as on March 31, 2013:

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	4	Yes	2	Nil
2.	Mr. Gaurav D Patel	Managing Director	4	Yes	Nil	Nil
3.	Mr. Chandrakant Patel	Independent Non Executive Director	4	Yes	Nil	Nil
4.	Mr. Arun Kumar Sharma	Additional Independent Non Executive Director	4	Yes	5	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. Arun Kumar Sharma**

Name of Director	: Mr. Arun Kumar Sharma
Age	: 50 years
Qualification	: B. Com (Hons), FCA and LLB
Expertise in functional Area	: Experience for more than two decades in finance
Directorship in other Indian Public Limited Companies and other firms as on 31 <sup>st</sup> March, 2013.	: Cistro Telelink Limited Indilite Engineering Limited (Formerly known as Rockland Thermionics Limited) Blue Pearl Texspin Limited Vipra Securities and Financial Services Limited. Sharma Advisory Services Pvt. Ltd.
Shareholdings	: Nil