

32nd
ANNUAL REPORT
2013-2014

SAGAR SOYA PRODUCTS LIMITED
(L15141MP1982PLC002060)

SAGAR SOYA PRODUCTS LIMITED

ANNUAL REPORT 2013-2014

BOARD OF DIRECTORS

Mr. Arvindbhai C Patel (DIN: 00024070)	: Chairman & CEO
Mr. Gaurav D Patel (DIN: 00024080)	: Managing Director & CEO
Mr. Chandrakant Patel (DIN: 02590157)	: Independent Non-Executive Director
Mr. Arun Kumar Sharma (DIN: 00369461)	: Independent Non-Executive Director
Mrs. Renu Singh (DIN: 00860777) (Appointed w.e.f – 1st June, 2014)	: Additional 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,
Kamdheni Complex, Opp Shahajanand College,
Panjara Pole, Ahmedabad – 380 015

32nd ANNUAL GENERAL MEETING

Date	: 26 th September, 2014
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 32nd ANNUAL GENERAL MEETING OF THE MEMBERS OF SAGAR SOYA PRODUCTS LIMITED WILL BE HELD ON FRIDAY THE 26TH DAY OF SEPTEMBER, 2014 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 Balance sheet as at 31st March, 2014, statement of Profit & Loss & Cash flow Statement accounts for the year ended 31st March 2014 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 Arvindbhai Patel, Director (Holding DIN 00024070) of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To Consider and if thought fit , to pass, with or without modification, the following resolution as an **Ordinary Resolution**
“RESOLVED THAT M/s. O.T.Gandhi & Co., Chartered Accountants, Indore registered with the Institute of Chartered Accountants of India vide Firm Registration No 001120C be and is hereby appointed as a Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of Thirty Fifth Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting to audit the accounts of the Company, including the audit of Cash Flow statements, on a remuneration plus service tax and out of pocket expenses to be mutually decided by the Board in consultation with the Statutory Auditors of the Company.”

SPECIAL BUSINESS:

4. To Consider and if thought fit , to pass, with or without modification, the following resolution as an **Ordinary Resolution** :
“RESOLVED THAT Mrs. Renu Singh (holding DIN 00860777) who was appointed as an Additional Director on 1st June, 2014 by the Board of Directors of the Company pursuant to Section 161 of the Companies Act, 2013 read with Companies (Appointment of Qualification of Directors) Rules, 2014 be and is hereby appointed as Director on the Board of the Company.
“RESOLVED FURTHER THAT pursuant to the provisions of Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Clause 49 of the Listing Agreement **Mrs. Renu Singh (holding DIN 00860777)** in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five years commencing from 1st June, 2014 to 31st May, 2019.
RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to sign, execute, file and paper, document, deed or writing and to do all such acts, deeds and things as may be required for effecting aforementioned resolution including but not limiting to file and submit the necessary e-forms with Registrar of the Companies, Gwalior and also to inform other regulatory authority for such

5. appointment being made by the Company as required.”
 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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Clause 49 of the Listing Agreement **Mr. Chandrakant Patel (holding DIN 02590157)** Director of the Company who retires by rotation at the Annual general Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from 1st April, 2014 to 31st March 2019.
6. 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 Sections 149,150,152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modifications(s) or re- enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Clause 49 of the Listing Agreement **Mr. Arun Kumar Sharma (holding DIN 0039461)** Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of five consecutive years from 1st April, 2014 to 31st March 2019.
7. To Consider and if thought fit , to pass, with or without modification, the following resolution as a **Special Resolution**:
“RESOLVED THAT in supersession of the earlier resolutions passed and pursuant to the provisions of section 180 (1) (a) (corresponding to Section 293(1)(a) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or any amendments or any substitution or re-enactment thereof for the time being in force and all other applicable Acts, laws, rules, regulations and guidelines for the time being in force; and subject to the approvals, consents, permissions and sanctions as may be necessary from the authorities concerned and subject to such terms and conditions as may be imposed by them, consent be and is hereby accorded to the Board of Directors of the Company, to lease or mortgage, charge or create any security on the whole or substantially the whole of the undertaking of the Company including moveable or immoveable properties and assets of the Company, to secure the repayment of term loan/financial assistance obtained/ to be obtained for business purpose for an amount which shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only) for availing credit facilities from various Financial Institutions, Banks and / or Bodies Corporate for the Company.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary and/or alter the terms and conditions of the security

SAGAR SOYA PRODUCTS LTD.

aforesaid in consultation with the financial institutions/banks/other lenders and mortgages as may be necessary.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to prepare, finalize and execute in favour of the said financial institution/banks/other lenders the documents, writing and such other agreements, as may be necessary for creating mortgages and/or charges as aforesaid and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

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

"RESOLVED that in supersession of the earlier resolutions passed, the consent of the Company be and is hereby accorded in terms of Section 180 (1) (c) (corresponding to Section 293(1)(d) of the Companies Act, 1956) and other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) for borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed Rs. 100 Crores (Rupees Hundred Crores Only).

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby severally authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf."

By Order Of the Board

FOR SAGAR SOYA PRODUCTS LIMITED

Date : 14TH August, 2014

GAURAV PATEL

Place : Sagar

Managing Director

DIN: 00024080

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. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.
3. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting of the Company.
4. The Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting of the Company.
5. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith.
6. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting and also their copy of the Annual Report
7. The Register of Members and Share Transfer Register in respect of equity shares of the Company will remain closed from **Thursday, the 18th Day of September, 2014 to Friday, the 26th September, 2014** (both days inclusive)
8. 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.
9. In furtherance of Green Initiative in Corporate Governance by Ministry of Corporate Affairs, the Shareholders are requested to register their email id with the Company or with the Registrar and Transfer Agents.
10. 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.
11. 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.
12. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updation of Savings Bank Account details to their respective Depository Participants.
13. In terms of section 205A Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to Investor Education and Protection Fund. Members who have not encashed their dividend warrants are requested to write to the Registrars and Share Transfer Agents. The details of dividend unclaimed are uploaded on the Company's website at www.sagarsoyaproducts.com for shareholders information.
14. Electronic copy of the Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 32nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. Members may also note that the Notice of the 32nd Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.sagarsoyaproducts.com for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Sagar for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: compliance.ssp@gmail.com.
15. Voting through electronic means :
In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business

may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL):

In case of members receiving e-mail:

- (i) The voting period begins on Saturday, 20th September, 2014 at 9.00 am and ends on Monday, 22nd September, 2014 till 6.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Open e-mail
- (iii) Log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders" tab.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.
	<ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut-off date in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the

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system for the scrutinizer to verify the same.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

Please follow all steps from sr. no. (ii) To sr. no. (xix) Above to cast vote.

Other Instructions

- The voting period begins on 20th September, 2014 at 9.00 a.m and ends on 22nd September, 2014 at 6.00 p.m During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.CDSL.com
- If you are already registered with CDSL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th August, 2014
- Mr. Hemant Shetye, Partner of M/s HS Associates, Practicing Company Secretaries (Membership No. FCS 2827) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent Manner.
- The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company
- The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.sagarsoyaproducts.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- Members who do not have access to e-voting facility may send duly completed Ballot Form (enclosed with the Annual Report) so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Hemant Shetye, Partner of HS Associates, Practicing Company

Secretaries, at the Registered office of the Company not later than 22nd September, 2014 (6.00 pm IST)

- Ballot Form received after this date will be treated invalid.
- A member can opt only for one mode of voting i.e either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.

- All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
- The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011 and Circular No. 18/2011 dated 29.04.2011) allowing companies to dispatch documents to the shareholders through electronic mode. Considering the above theme, your company had decided to send Annual Report through electronic mode.

By Order Of the Board
FOR SAGAR SOYA PRODUCTS LIMITED

Date : 14TH August, 2014
Place : Sagar

GAURAV PATEL
Managing Director
DIN: 00024080

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (CORRESPONDING TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No.4

Mrs. Renu Singh was appointed as an Additional Director by the Board of Directors of the Company with effect from 1st June, 2014.

By virtue of provisions of Section 161 of the Companies Act, 2013 read with Companies (Appointment of Qualification of Directors) Rules, 2014, she would hold office only up to the date of ensuing Annual General Meeting of the Company.

Similarly by virtue of Section Section 149(1), 150,152, Schedule IV and all other applicable provisions of Companies Act, 2013, The Companies (Appointment and Qualification of Directors) Rules, 2014, Clause 49 of the Listing Agreement, and any other applicable law for the time being in force Mrs. Renu Singh is proposed to be appointed as Independent Director for a period of five years commencing from 1st June, 2014 to 31st May, 2019. By her appointment as Director, the Company would also fulfil the requirement of appointment of Women Director as required by the extant provisions of Companies Act, 2013.

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

Except Mrs. Renu Singh being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 5

Mr. Chandrakant Patel is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in the year 1984. Mr. Chandrakant Patel is Chairman of the Audit Committee, Stakeholders

Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Chandrakant Patel is not a Director of any other Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Chandrakant Patel retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Chandrakant Patel being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing candidature of Mr. Chandrakant Patel Director of the Company.

In the opinion of the Board, Mr. Chandrakant Patel fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Chandrakant Patel as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his Continued Association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chandrakant Patel as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Chandrakant Patel as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Chandrakant Patel being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 6

Mr. Arun Kumar Sharma is a Non-Executive Independent Director of the Company. He joined the Board of the Company in the year 2012. Mr. Arun Kumar Sharma is member of the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. Arun Kumar Sharma holds Bachelor Degree in Commerce and is a Law Graduate. He is also a Fellow member of Institute of Chartered Accountants of India and has experience of more than two decades in various Banking, financial and Manufacturing Sector.

Mr. Arun Kumar Sharma also a Director in Five (5) other Public Limited Companies as on March 31, 2014. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Arun Kumar Sharma is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Mr. Arun Kumar Sharma being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing candidature of Mr. Arun Kumar Sharma Director of the Company.

In the opinion of the Board, Mr. Arun Kumar Sharma fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent

of the management. Copy of the draft letter for appointment of Mr. Arun Kumar Sharma as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working days.

The Board considers that his Continued Association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Arun Kumar Sharma as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Arun Kumar Sharma as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Arun Kumar Sharma being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item No. 7 and 8

The Company proposes to raise terms loans/financial assistance in near future in view of the meeting its working capital needs. The borrowings of loans from the Banks / Financial Institutions will require the Company to create mortgage/charge on the whole or substantially the whole of the undertakings of the Company for the purpose of securing financial assistance.

Therefore, pursuant to the provisions of Section 180 of the Companies Act, 2013; shareholders' approval is required by way of special resolution in general meeting. Section 180(1)(c) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not without the consent of shareholders in the General Meeting borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loan obtained from the bankers of the Company in the ordinary course of business) exceeding the aggregate of paid-up capital and free reserves of the Company. It is expected that the ceiling may be exceeded after the acceptance of loans/ financial assistance and therefore, your Directors place before you the proposal to increase the maximum borrowing limits to Rs. 100 Crores (Rupees Hundred Crores) at any point of time for your approval.

Section 180(1)(a) of the Companies Act, 2013 provides, inter-alia, that the Board of Directors of the Company shall not, without the consent of shareholders in the General Meeting, lease, mortgage or create any security on the assets of the Company. Since the mortgage of the Company's immovable and movable properties may be regarded as disposal of Company's properties/ undertakings, consent of the Members is being sought for the purpose.

The Board of Directors accordingly recommends the Resolutions set out at Item Nos. 7 and 8 of the accompanying Notice for the approval of the Members. None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in aforementioned resolution(s).

By Order Of the Board
FOR SAGAR SOYA PRODUCTS LIMITED

Date : 14TH August, 2014
Place : Sagar

GAURAV PATEL
Managing Director
DIN: 00024080

SAGAR SOYA PRODUCTS LTD.**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To,
The Members
Sagar Soya Products Limited

Your Directors have great pleasure in presenting **32nd ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31st March, 2014.

1. FINANCIAL RESULTS

The financial Results are briefly indicated below:

(Amt in ₹)

PARTICULARS	YEAR ENDED	
	31.03.2014	31.03.2013
Total Income	81,46,845.15	48,21,790.40
Total Expenditure	12,281,710.19	38,86,765.00
Profit/(Loss) before Taxation	(51,26,147.40)	(9,23,920.60)
Profit/(Loss) after Taxation	(51,26,147.40)	(9,23,920.60)
Profit/(Loss) Brought Forward	(125,613,341.34)	(124,689,420.74)
Balance carried to Balance Sheet	(130739488.74)	(125613341.34)

2. REVIEW OF OPERATIONS

The Company has incurred losses of **Rs. 51,26,147.40/-** during the financial year as compared to Rs. 923920.60 during the last year. The increase in losses is due to writing off of Bad Debts. 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

Mrs. Renu Singh was inducted as an Additional Director on the Board of the Company on 1st June, 2014 in order to comply with the provisions of Section 149 of the Companies Act, 2013 requiring a listed Company to have a woman Director. Your Directors recommend her appointment in ensuing Annual General Meeting.

Mr. Chandrakant Patel, Independent Director of the Company was liable to retire by rotation in this Annual General Meeting. However pursuant to provisions of Section 149, Section 150, Section 152 read with Schedule IV of the Companies Act, 2013 Mr. Chandrakant Patel is appointed as an Independent Director for the period of five consecutive years from 1st April, 2014 to 31st March, 2019. The resolution for his appointment is put forward for your approval.

Likewise the term of office of Mr. Arun Kumar Sharma is liable to be determined by retirement of Director by rotation pursuant to provisions of Companies Act, 1956. However pursuant to provisions of Section 149, Section 150, Section 152 read with Schedule IV of the Companies Act, 2013 Mr. Arun Kumar Sharma is appointed as an Independent Director for the period of five consecutive years from 1st April, 2014 to 31st March, 2019. The resolution for his appointment is put forward for your approval.

The Company has received notice in writing from member along with requisite fee proposing candidature of Mrs. Renu Singh, Mr. Chandrakant Patel and Mr. Arun Kumar Sharma as Independent Director(s) of the Company. Your Directors recommend their appointment in ensuing Annual General Meeting.

7. REGISTERED OFFICE:

The Company has filed an application with the Regional Director, North Western Region of the Ministry of Corporate Affairs to shift the registered office of the Company from the State of Madhya Pradesh to the State of Maharashtra. The Company has not yet received approval to shift the registered office of the Company.

8. FORFEITURE OF SHARES:

The Board of Directors have forfeited 8,45,030 Partly Paid up Equity Shares of Rs.10/- with effect from 31st March, 2014 on account of failure to pay the balance allotment money due at the rate of Rs. 5/- per Equity Share. The detailed list of Shares which have been forfeited are available on Company's website www.sagarsoyaproducts.com.

9. SUBSIDIARIES:

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

10. DIRECTOR'S RESPONSIBILITY STATEMENT

The Board of Directors hereby confirms:

- 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.

11. 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.

12. FOREIGN EXCHANGE EARNINGS AND OUTGO.

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

13. AUDITORS

M/s O.T Gandhi & Co., Chartered Accountant, Indore bearing ICAI Firm Registration No as 001120C are proposed to be appointed as Auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting of the Company held thereafter, subject to ratification of the appointment by the members at every Annual General Meeting held after the ensuing Annual General Meeting.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from M/s O.T Gandhi & Co, to such appointment and also a certificate to the effect that their appointment, if made, would be in accordance with Section 139(1) of the Companies Act, 2013 and the rules made there under, as may be applicable.

14. INTERNAL AUDITORS

The company has appointed M/s Ajit Jain & Co., Chartered Accountants, Indore, as internal auditor of the company for financial year 2014-15.

15. SECRETARIAL AUDITORS

The Company has appointed M/s HS Associates as Secretarial Auditor of the Company to carry out the Secretarial Audit for the Financial Year 2014 -2015 and to issue Secretarial Audit Report as per the prescribed format under rules in terms of Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

16. 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.

17. 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.

18. 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.

19. 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
ARVIND PATEL
Chairman
DIN: 00024070

Date : 14TH August, 2014
Place : Sagar