

**33<sup>rd</sup>**  
**ANNUAL REPORT**  
**2014-2015**

**SAGAR SOYA PRODUCTS LIMITED**  
(L15141MH1982PLC267176)

## SAGAR SOYA PRODUCTS LIMITED

### ANNUAL REPORT 2014-2015

#### BOARD OF DIRECTORS

Mr. Arvindbhai C Patel (DIN: 00024070)	: Executive Director & CFO
Mr. Gaurav D Patel (DIN: 00024080)	: Managing Director & CEO
(Upto 14 <sup>th</sup> Jan, 2015)	
Mr. Chandrakant Patel (DIN: 02590157)	: Independent Non-Executive Director
Mr. Arun Kumar Sharma (DIN: 00369461)	: Independent Non-Executive Director
Mrs. Renu Singh (DIN: 00860777)	: Additional Independent Non-Executive Director

**REGISTERED OFFICE** : 32, Vyapar Bhavan, 49, P.D. Mello Road, Mumbai, Maharashtra-400009

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

**SECRETARIAL AUDITORS** : HS Associates, Company Secretaries

**INTERNAL AUDITOR** : M/s Ajit Jain & 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  
**The Ahmedabad Stock Exchange Limited,**  
Kamdhenu Complex, Opp Shahajanand College,  
Panjara Pole, Ahmedabad – 380 015

<b>33<sup>Rd</sup> ANNUAL GENERAL MEETING</b>	
<b>Date</b>	: 30 <sup>th</sup> September, 2015
<b>Day</b>	: Wednesday
<b>Time</b>	: 11.00 A.M
<b>Place</b>	: 9/10/11, PWD Shed, RCB Marg, Opp Noor Baug Hall, Mumbai-400009, Maharashtra

<b>Contents</b>	<b>Page No.</b>
Notice	1-6
Directors' Report	7-17
Secretarial Audit Report	18-20
Corporate Governance Report	21-29
Chartered Accountant in Practice report on Corporate Governance	30
Management Discussion Report	30
Auditors' Report	31-32
Balance Sheet	33
Profit & Loss A/c.	34
Notes	35-39
Cash Flow Statement	40
Nomination and cancellation of Nomination form	41
Proxy Form	43
Assent / Dissent Form	45

**SAGAR SOYA PRODUCTS LIMITED**

CIN NO:L15141MH1982PLC267176

REG OFFICE : 32, VYAPAR BHAVAN, 49, P.D. MELLO ROAD, MUMBAI, MAHARASHTRA-400009

TE. NO-022 32997884, FAX – 23487884

EMAIL - COMPLIANCE.SSP@GMAIL.COM , WEBSITE: WWW.SAGARSOYAPRODCUTS.COM

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 33<sup>rd</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF SAGAR SOYA PRODUCTS LIMITED WILL BE HELD ON WEDNESDAY THE 30TH DAY OF SEPTEMBER, 2015 AT 11.00 A.M AT 9/10/ 11, PWD SHED, RCB MARG, OPP NOOR BAUG HALL, MUMBAI-400009, MAHARASHTRA.**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance sheet as at 31<sup>st</sup> March, 2015, Statement of Profit & Loss & Cash Flow Statement of Accounts for the year ended 31<sup>st</sup> March, 2015 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.

2. To ratify appointment of M/s O.T.Gandhi & Co., Chartered Accountants (FRN 001120C) as Statutory Auditors of the Company and to fix their remuneration.

**“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 who were appointed as a Statutory Auditors of the Company at the Annual General Meeting held on 26th September, 2014 (hereinafter referred as said AGM) to hold office from the conclusion of the said AGM till the conclusion of the Thirty Fifth Annual General Meeting to be held in the year 2017, be and is hereby ratified for the financial year 2015-16 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:**

3. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a **Ordinary Resolution**

**“RESOLVED THAT** pursuant to provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 re-appointment of Mr. Arvindbhai Patel (holding DIN 00024070) as Executive Director and CFO of the Company with effect from August 14, 2015 for a period of 3 years on the terms and conditions as are set out in the agreement to be entered into between the Company and Mr. Arvindbhai Patel with liberty to the Board of Directors (hereinafter referred to “the Board” which term shall be deemed to include the Remuneration and Nomination Committee constituted by the Board) to alter and vary the terms of the said re-appointment and/or remuneration and/or agreement.

**“RESOLVED FURTHER THAT** Mr. Arvindbhai Patel shall

be entitled to receive such amount as remuneration, perquisites, as may be decided by the Board of Directors from time to time within the limits permissible under the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the performance of his duties as the Executive Director of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Executive Director by way of salary and perquisites shall not exceed the ceiling laid down in Schedule V of the Companies Act, 2013 as may be decided by Board of Directors, subject to necessary sanctions and approvals.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorized to sign and file the necessary forms and returns with the Registrar of Companies, Mumbai, and to take such other actions and to do all deeds and things to comply with all the formalities required to be fulfilled in connection with the re-appointment of Executive Director.”

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**.

**“RESOLVED THAT** pursuant to Sections 5, 14, 15 of the Companies Act, 2013 (including rules made thereunder), applicable provisions of Listing Agreement, if any and subject to the approval of any statutory Authorities, if applicable, the consent of the members of the Company be and is hereby accorded to adopt new set of Articles of Association of the Company in place of its existing Articles of Association of the Company.”

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things as may be necessary for effecting the aforesaid resolution including but not limited to filing of necessary forms with Registrar of Companies.

BY ORDER OF THE BOARD

FOR SAGAR SOYA PRODUCTS LIMITED

DATE: 14<sup>TH</sup> AUGUST, 2015

ARVINDBHAI C PATEL

PLACE : MUMBAI

EXECUTIVE DIRECTOR & CFO

DIN: 00024070

**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.

## SAGAR SOYA PRODUCTS LTD.

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 **Tuesday, September 22, 2015 to Wednesday, September 30, 2015 (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 124 of the Companies Act, 2013 (corresponding to 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](http://www.sagarsoyaproducts.com) for shareholders information.
  14. Electronic copy of the Notice of the 33<sup>rd</sup> 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 33<sup>rd</sup> 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 33<sup>rd</sup> Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website [www.sagarsoyaproducts.com](http://www.sagarsoyaproducts.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai 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](mailto: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 33<sup>rd</sup> 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, 26<sup>th</sup> September, 2015 at 9.00 am and ends on Tuesday, 29<sup>th</sup> September, 2015 at 5.00 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 23<sup>rd</sup> September, 2015 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
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"> <li>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 <b>the number of shares held by you as on the cut-off date in the Dividend Bank details field.</b></li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then reach directly the EVSN selection screen
- (xi) 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.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN No. **150808010** of Sagar Soya Products Limited on which you choose to vote.
- (xiv) 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.

- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) 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](http://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](mailto: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](mailto: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 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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**

- (A) 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.
- (B) 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).
- (C) 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](http://www.evotingindia.co.in) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## SAGAR SOYA PRODUCTS LTD.

- (D) 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](http://www.evoting.CDSL.com)
- (E) 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 23<sup>rd</sup> September, 2015
- (F) 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.
- (G) 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
- (H) 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](http://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.
- (I) 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 29<sup>th</sup> September ( 5.00 pm IST)
- (J) Ballot Form received after this date will be treated invalid.
- (K) 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.
16. 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 5.00 pm) on all working days, up to and including the date of the Annual General Meeting of the Company.
17. 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 : 14<sup>TH</sup> AUGUST, 2015    ARVINDBHAI CHHOTABHAI  
PATEL  
PLACE : MUMBAI                EXECUTIVE DIRECTOR & CFO  
DIN: 00024070

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

### Item No.3

The Board at their meeting held on 14<sup>th</sup> August, 2015 based on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Arvindbhai Patel as Executive Director and CFO of the Company for a period of three years commencing from August 14, 2015 to August 13, 2018. The Board also approved terms and condition of appointment including remuneration as approved by Nomination and Remuneration Committee in accordance with provisions of Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force) subject to approval of Shareholders at the ensuing Annual General Meeting.

### MAJOR TERMS OF REMUNERATION OF MR. ARVINDBHAI PATEL, EXECUTIVE DIRECTOR AND CFO:

#### TERMS & CONDITIONS:

##### I) General Information

- Nature of industry : The company manufactures vegetable oils from soyabean and other oil seeds and oil cakes by solvent extraction process.
- Date of commencement of commercial production : The company has already commenced commercial production in 1983
- Financial performance : PBT for past 3 years is as follows 2014-15 Rs. 2,80,477.89 2013-14 Rs. (51,26,147.40) 2012-13 Rs.(9,23,920.60)
- Foreign investments or collaboration : Nil

##### II) Information about appointee

- Name of Director : Mr. Arvindbhai Patel
- Designation : Executive Director and CFO
- Date of Appointment : Re-appointment w.e.f. 14<sup>th</sup> August, 2015
- Period : 3 (Three) years.
- Salary (p.m) : Nil, appointment is on Honorary basis.
- Minimum Remuneration : In the event of loss or inadequacy of profits in any financial year, the remuneration and perquisites payable to Mr. Arvindbhai Patel shall not exceed the ceiling as laid down of Schedule V of the Companies Act, 2013.
- Background details : Mr. Arvindbhai Patel is a Bachelor of Arts
- Past remuneration : Nil, appointed on Honorary basis
- Recognition and awards : Nil
- Job profile and suitability : He has the educational background, training and experience suitable for the job.

- 
11. Comparative remunerative profile in the industry : The salary proposed is comparable in the industry
12. Pecuniary relationship with the company : Mr. Arvindbhai Patel holds 85,000 equity shares of the company amounting to 1.45% of the total equity capital. Apart from this, there is no other pecuniary relationship with the company.
- III) Other information**
1. Reasons for inadequacy of profits : The profits as calculated under the managerial remuneration to directors under the Companies Act 2013 are inadequate for payment of remuneration. The scale and activity of the company's operations are growing gradually.
2. Steps to be taken for improving : Company has started earning profits from this year and focusing on increasing the demand of the product.
3. Expected increase in profits and productivity : Over the past one year, the company's profit before tax have increased to Rs. 2,80,477.89 which was running into negative in 2013-2014 and 2012-13. During the current year an increase in profits is anticipated.
4. Perquisites:
- Mr. Arvindbhai Patel as an Executive Director and CFO will be entitled for following perquisites, which shall not be part of the ceiling of remuneration.**
- a) **Provident Fund:** Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent such contribution either singly or put together are not taxable under the Income Tax Act, 1961.
- b) **Gratuity:** as per the rules of the Company, payable in accordance with the Approved Gratuity Fund and which shall not exceed half a month's salary for each completed year of service.
- c) **Children's education allowance:** In case of children studying in or outside India, an allowance limited to a maximum of Rs12,000/- per month per child or actual expenses incurred, whichever is less such allowance is admissible upto a maximum of two children.
- d) **Holiday passage for children studying outside India/family staying abroad:** Return holiday passage once in a year by economy class or once in two years by first class to children and to the members of the family from the place of their study or stay abroad to India if they are not residing in India with the managerial person.
- e) **Leave travel concession:** Return passage for self and family in accordance with the rules specified by the Company to any destination in India.
- f) **Leave encashment:** Encashment of leave at the end of the tenure.
- V) Salary and perquisites specified herein shall be payable to the Executive Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.
- VI) The Executive Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.
- VII) The Executive 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.
- VIII) The terms and conditions of the said re-appointment may be altered and/or 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 V of the Companies Act, 2013, or any amendment hereafter in that regard.
- Mr. Arvindbhai Patel satisfies all the conditions as set out in part I of Schedule V as also under sub-section 13 of Section 196 of the Companies Act, 2013 for being eligible to be appointed as a Executive Director and CFO of the Company. He is not disqualified for being appointed as Director in terms of Section 164 of the Companies Act, 2013.
- The Board of Directors are of the opinion that the appointment of Mr. Arvindbhai Patel as Executive Director and CFO is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 3 for approval of the members. The Company has also received notice under Section 160 of the Companies Act, 2013 from a member signifying his intention to propose the candidature of Mr. Arvindbhai Patel for the office of Director. A brief profile of Mr. Arvindbhai Patel has been given elsewhere in this Report.
- Other than Mr. Arvindbhai Patel, being appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange
- Item No. 4**
- The Companies Act, 2013 has come into force partially on 12<sup>th</sup> September, 2013 and partially on 1<sup>st</sup> April, 2014. With the advent of Companies Act, 2013, the provisions of Companies Act, 1956 have become redundant and therefore it is in the interest of the Company, the Board of Directors of the Company at their meeting held on 14<sup>th</sup> August, 2015 have decided to adopt new set of Articles of Association of the Company, subject to approval of Shareholders to bring the Articles of Association in line with the provisions of Companies Act, 2013
- A copy of the revised Articles of Association of the Company is available for inspection by Members at the registered office of the Company on any working day during office hours of the Company.
- As per provisions of Section 13 of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014, Alteration of Articles of Association requires approval of Shareholders by means of passing Special Resolution. Therefore consent of the Shareholders is required for the Resolutions as set out in Item No.4 of the Notice.
- None of the Directors, Key Managerial Personnel (KMP) and / or Relatives of Directors or KMP are concerned or interested financially or otherwise in the proposed resolution.
-

Route Map for Annual General Meeting





## DIRECTORS' REPORT TO THE SHAREHOLDERS

To,  
The Members  
Sagar Soya Products Limited

Your Directors have great pleasure in presenting **33<sup>rd</sup> ANNUAL REPORT** along with the Audited Balance Sheet and Profit And Loss Account, for the year ended 31<sup>st</sup> March, 2015.

### 1. FINANCIAL RESULTS

The financial Results are briefly indicated below:

PARTICULARS	(Amt in `)	
	YEAR ENDED	
	31.03.2015	31.03.2014
Total Income	86,44,511.09	81,46,845.15
Total Expenditure	75,45,701.20	12,281,710.19
Profit/(Loss) before Taxation	2,80,477.89	(51,26,147.40)
Profit/(Loss) after Taxation	2,80,477.89	(51,26,147.40)
Profit/(Loss) Brought Forward	(13,07,39,488.74)	(125,613,341.34)
Balance carried to Balance Sheet	(13,04,59,010.85)	(13,07,39,488.74)

### 2. TRANSFERS

There are no transfers to any specific reserves during the year.

### 3. REVIEW OF OPERATIONS

The Company has incurred profit of Rs. 2,80,477 during the financial year as compared to Losses Rs. (51,26,147.40) during the last 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.

### 4. DIVIDEND

In order to conserve resources, your directors do not recommend dividend for the year ended 31<sup>st</sup> March 2015 with a view to conserve resources.

### 5. FUTURE PROSPECTS

The product range includes manufacture vegetable oils from soyabean and other oil seeds and oil cakes by solvent extraction process.

The focus of the company is towards increasing the demand of the product in the market and the Company is also in process of trading into agro-commodity in the market.

### 6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

### 7. CONSERVATION OF ENERGY-TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE ETC

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in Annexure A and is attached to this Report.

### 8. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed also discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Statutory as well as Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

### 9. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135 of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

## **SAGAR SOYA PRODUCTS LTD.**

### **10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not made any loans, guarantees and investment under Section 186 of the Companies Act, 2013

### **11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The particulars of contracts or arrangements with related parties referred to in Section 188(1), as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Companies Act, 2013, is appended as Annexure B to Director's Report

### **12. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS**

The auditors' report and secretarial auditors' report does not contain any qualifications, reservations or adverse remarks. Report of the secretarial auditor is given as an annexure which forms part of this report.

### **13. PARTICULARS OF REMUNERATION**

No details as required under section 197 (12) of the Companies Act 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been provided as there are no employees drawing remuneration in excess of the prescribed limits.

As the remuneration of Director's is nil, the information as required under section 197 (12) of the Companies Act 2013, the median salary paid to the employees of the company is at a comparative level with that paid to the director's.

The Nomination and Remuneration Committee of the Company has affirmed at its meeting held on February 13, 2015 that the remuneration is as per the remuneration policy of the Company. The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 is available on Company's website: [www.sagarsoyaproducts.com](http://www.sagarsoyaproducts.com)

### **14. ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure C to Director's Report

### **15. NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

During the financial year, the Board had met four times on 28th May, 2014 ; 14<sup>th</sup> August, 2014 ; 14th November, 2014 and 13th February, 2015

### **16. DIRECTOR'S RESPONSIBILITY STATEMENT**

In terms of Section 134(5) of the Companies Act, 2013 The Board of Directors of the Company hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- (ii) That the selected accounting policies were applied consistently and the directors 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 as at March 31, 2015, and that of the profit of the Company for the year ended on that date.
- (iii) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) That the annual accounts have been prepared on a going concern basis. and
- (v) The Board has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.-  
the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

### **17. DEPOSITS**

The Company has neither accepted nor renewed any deposits during the year under review.

### **18. DIRECTORS**

Mr.Gaurav Patel died on 14th January, 2015. Your Directors place their appreciation for the work done by him during his tenure.

The Board of Directors at their meeting held on August 14, 2015 approved re-appointment of Mr. Arvindbhai Patel as Executive Director and CFO subject to approval of Shareholders at ensuing Annual General Meeting of your Company for a further period of three years commencing from August 14, 2015 to August 13, 2018

The Company has received notice in writing from member along with requisite fee proposing candidature of Mr. Arvindbhai Patel, as Executive Director and CFO of the Company. Your Directors recommend his appointment.