

**36<sup>th</sup>**  
**ANNUAL REPORT**  
**2017-2018**

**SAGAR SOYA PRODUCTS LIMITED**  
**(L15141MH1982PLC267176)**

## SAGAR SOYA PRODUCTS LIMITED

### ANNUAL REPORT 2017-2018

#### BOARD OF DIRECTORS

Mr. Arvinbhai C Patel (DIN: 00024070)	: Chairman & Whole Time Director & CFO
Mr. Chandrakant Patel (DIN: 02590157)	: Managing Director
Mr. Shrikrishna Baburam Pandey (DIN: 07035767)	: Non-Executive Director & Independent Director
Mrs. Renu Singh (DIN: 00860777)	: Non-Executive Director & Independent Director
Mr. Arun Kumar Sharma (DIN: 00369461)	: Non-Executive Director & Independent Director

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

**AUDITORS** : M/s C.P. Jaria & Co., Chartered Accountants,

**SECRETARIAL AUDITORS** : M/s HS Associates, Practising Company Secretary

**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

36 <sup>th</sup> ANNUAL GENERAL MEETING	
<b>Date</b>	: 29 <sup>th</sup> September, 2018
<b>Day</b>	: Saturday
<b>Time</b>	: 9.30 A.M
<b>Place</b>	: Sana Community Hall 9/10/11, PWD Shed, RCB Marg, Opp Noor Baug Hall, Mumbai-400 009, Maharashtra

Contents	Page No.
Notice	1-6
Directors' Report and Annexures	7-16
Secretarial Audit Report	17-18
CEO/CFO Certification	19
Compliance Certificate by CFO & CEO And Declaration on Code of Conduct	20
Management Discussion Report	21
Auditors' Report	22-25
Balance-Sheet	26
Profit & Loss A/c.	27
Statement of Changes in Equity	28
Notes	29-31
Cash Flow Statement	32
Nomination Form	33
Cancellation of Nomination form	34
Attendance Slip	35
Proxy Form	36
Assent / Dissent Form	37

**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.sagarsoyaproducts.com

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 36<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF SAGAR SOYA PRODUCTS LIMITED WILL BE HELD ON SATURDAY THE 29<sup>TH</sup> DAY OF SEPTEMBER, 2018 AT 9.30 A.M AT SANA COMMUNITY HALL 9/10/11, PWD SHED, RCB MARG, OPP NOOR BAUG HALL, MUMBAI-400 009, MAHARASHTRA.**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2018, Statement of Profit & Loss & Cash Flow Statement for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To re-appoint Mr. Chandrakant Patel Director (holding DIN 02590157) who retires by rotation and being eligible offers himself for re-appointment as Director.

**SPECIAL BUSINESS:**

3. **INVESTMENT(S), LOANS, GUARANTEES AND SECURITY IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 186 OF COMPANIES ACT, 2013**

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

**RESOLVED THAT** pursuant to Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), and in terms of Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of anybody corporate or for giving loans, guarantees or providing securities to anybody corporate or other person / entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 100crore (Rupees One Hundred crore only), notwithstanding that such investment and acquisition together with the Company's existing investments, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board or a duly constituted Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment within the aforesaid limits as mentioned above including the power to transfer, lien and dispose of the investments so made, from time to time, and to execute all deeds, documents and other writings and to do all such acts, deeds and matters and things as may be required and expedient for implementing and giving effect to this resolution.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, any Director of the Company be and is hereby authorized to finalize and execute all

agreements, documents and writings and to do all acts, deeds and things in this connection and incidental thereto as they may in their absolute discretion deem fit to give effect to this resolution."

4. **APPROVAL OF MAXIMUM AMOUNT FOR CREATION OF CHARGE ON THE ASSETS AND TO SELL, LEASE OR OTHERWISE DISPOSE OF THE WHOLE OR SUBSTANTIALLY THE WHOLE OF THE UNDERTAKING IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180 (1) (a) OF COMPANIES ACT, 2013**

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

**"RESOLVED THAT** consent of shareholders of the company be and is hereby accorded, pursuant to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013, to the Board of Directors of the Company to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company or any third party in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company does not exceed Rs. 300 Crores (Rupees Three Hundred Crores only) at any time."

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and are hereby authorized authorised to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary and/or alter the terms and conditions of the security 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 authorized 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."

**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"

## **SAGAR SOYA PRODUCTS LTD.**

### **5. APPROVAL FOR INCREASE IN BORROWING LIMITS IN EXCESS OF LIMITS SPECIFIED UNDER SECTION 180 (1) (c) OF COMPANIES ACT, 2013**

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

**"RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow money, as and when required, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/entities and/or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 300 Crores (Rupees Three Hundred Crores only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves."

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

**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"

### **6. RE-APPOINTMENT OF MR. ARVIND BHAI PATEL (DIN: 00024070) AS WHOLE-TIME DIRECTOR OF THE COMPANY**

To Consider and if thought fit, to pass with or without modification(s), the following resolution as an 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. Arvind Bhai Patel (holding DIN 00024070) as Whole time Director of the

Company with effect from 18<sup>th</sup> August, 2018 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. Arvind Bhai 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. Arvind Bhai 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."

BY ORDER OF THE BOARD  
FOR SAGAR SOYA PRODUCTS LIMITED  
Sd/-

DATE: 18<sup>TH</sup> AUGUST, 2018

PLACE: MUMBAI

RASHMI PUROHIT  
COMPANY SECRETARY

#### **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

## 36TH ANNUAL REPORT 2017-18

- closed from Saturday, 22<sup>nd</sup> September, 2018 to Saturday, 29<sup>th</sup> September, 2018 (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 36<sup>th</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 36<sup>th</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 36<sup>th</sup> Annual General Meeting and the Annual Report for 2018 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).
  16. 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 36<sup>th</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 Wednesday, 26<sup>th</sup> September, 2018 at 9.00 am and ends on Friday,

28<sup>th</sup> September, 2018 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 Friday 21<sup>st</sup> September 2018 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:

### 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)  For physical shareholders, please use the first two letters of yourName and the 8 digits of the sequence number in the PAN field. · In case the sequence 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 sequence number 1 then enter RA00000001 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. · Please enter the DOB or Dividend Bank Details in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (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

## SAGAR SOYA PRODUCTS LTD.

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 **EVS No. 180825018** 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.com](http://www.evotingindia.com) in under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - (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 Friday 21<sup>st</sup> September 2018
  - (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 two (2) 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, M/s HS Associates, Practicing Company Secretaries, at the Registered office of the Company not later than **Friday, 28<sup>th</sup> September, 2018** (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.
17. 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.
18. 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: 18<sup>TH</sup> AUGUST, 2018  
PLACE : MUMBAI

Sd/-  
RASHMI PUROHIT  
COMPANY SECRETARY

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN 36<sup>TH</sup> ANNUAL GENERAL MEETING**

Name of Director	Chandrakant Patel
DIN	02590157
Date of First Appointment	15/03/2001
Qualification	Graduate
Shareholding of directors	Nil
Directors Inter-se relationship	N.A.
Years of experience	20 years of experience in the field of Corporate Finance and in charge of handling overall affairs of the Company.
Directorships in other Indian Listed companies	Nil
Committee memberships in other Indian Listed companies	Nil

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM NO: 3:**

The Company from time to time, is required to make investments in securities of bodies corporate which includes Treasury Bills, Call Money Market, Term Deposit, Mutual Funds and Short Term Rated Papers, Treasury Bills, Call Money Market, Term Deposit, Mutual Funds and Short Term Rated Papers or for giving loans, guarantees or providing securities to anybody corporate or other person.

In order to make investment(s) in excess of limits specified under section 186 of Companies Act, 2013, the Company requires approval from the shareholders in a general meeting. The Board recommends the Special Resolution set out at Item No.3 of the Notice for approval by the Members.

The Board of Directors of the Company considers that this resolution is in the best interests of the Company, its shareholders and therefore, recommends the passing of the special resolution in Item no. 3 as set out in the Notice.

None of the Directors and / or Key Managerial Personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution.

**ITEM NO: 4 & 5:**

Keeping in view the Company's existing and future financial requirements to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/ or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits up to Rs. 300 Crores (Rupees Three Hundred Crores only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole or part of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for

the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the passing of the Resolution.

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 other than the Director to be appointed.

**ITEM NO: 6:**

The Board at their meeting held on 18<sup>th</sup> August, 2018 and based on the recommendation of the Nomination and Remuneration Committee approved re-appointment of Mr. Arvind Bhai Patel as Whole time Director of the Company for a period of three years commencing from August 18, 2018 to August 17, 2021. 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, WHOLE-TIME 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 2016-17 Rs. 1,766,501.09 2015-16 Rs. (3,302,537.93) 2014-15 Rs. 2,80,477.89
- Foreign investments or collaboration : Nil

**II) Information about appointee**

- Name of Director : Mr. Arvindbhai Patel
- Designation : Wholetime Director
- Date of Appointment : Re-appointment w.e.f. 18<sup>th</sup> August, 2018
- 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. Arvind Bhai Patel shall not exceed the ceiling as laid down of Schedule V of the Companies Act, 2013.
- Background details : Mr. Arvind Bhai 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.
- Comparative remunerative profile in the industry : The salary proposed is comparable in the industry
- Pecuniary relationship with the company : Mr. Arvind Bhai Patel holds 1,19,750 equity shares of the company amounting to 2.05% of the total equity capital. Apart from this, there is no other pecuniary relationship with the company.



## SAGAR SOYA PRODUCTS LTD.

### (B) 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. **Perquisites:**  
**Mr. Arvind Bhal Patel as an Whole time Director 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 allowances:** In case of children studying in or outside India, an allowance limited to a maximum of Rs.12,000/- 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.

**Vj. Salary and perquisites specified herein shall be payable to the Whole time Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.**

**Vj. The Whole time Director shall not be paid any sitting fee for attending the meetings of the Board of Directors or committee thereof.**

**Vii) The Whole time 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. Arvind Bhal Patel satisfies all the conditions as set out in part I of Schedule V as also under sub-section 19 of Section 166 of the Companies Act, 2013 for being eligible to be appointed as a Executive Director 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. Arvind Bhal Patel as Wholetime Director is in the best interest of the Company and accordingly, recommend the resolution as set in Item No. 8 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. Arvind Bhal Patel for the office of Director.

Other than Mr. Arvind Bhal 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. 8.

### Route Map for Annual General Meeting



Landmark: Near HP Petrol Pump

Distance from nearest railway station: 400 Meters from Sandhurst road Railway station



**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To,  
The Members  
Sagar Soya Products Limited

Your Directors have great pleasure in presenting 36<sup>th</sup> ANNUAL REPORT along with the Audited Balance Sheet and Profit and Loss Account, for the year ended 31<sup>st</sup> March, 2018.

**1. FINANCIAL RESULTS**

The financial Results are briefly indicated below:

PARTICULARS	(Amt in Rs.)	
	YEAR ENDED	
	31.03.2018	31.03.2017
Total Income	8,296,520	8,802,824
Total Expenditure	4,335,898	7,036,322
Profit/(Loss) before Taxation	3,960,622	1,766,502
Profit/(Loss) after Taxation	3,960,622	1,766,502

**2. TRANSFERS**

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

**3. REVIEW OF OPERATIONS**

The Company made profit of Rs. 3,960,622 during the financial year as compared to profit of Rs. 1,766,502 during the previous 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, the current profitable situation though marginal is a indication of the same.

**4. DIVIDEND**

In order to conserve resources, your directors do not recommend dividend for the year ended 31<sup>st</sup> March 2018 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.

**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

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

The particulars of loans, guarantees or investments forms part of the financial Statements.

## **SAGAR SOYA PRODUCTS LTD.**

### **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 auditor's report does not contain any qualifications, reservations or adverse remarks, but secretarial Audit Report contains qualifications pursuant to Section 203 of Companies Act, 2013 towards appointment of Company Secretary and regulations 31 (2), 47(1) a & b, 46 of Listing Obligation and Disclosure Requirements, Regulations 2015 and Section 186 of the Companies Act, 2013 for Non-Dematerialization of Promoters shareholding, non-Publishing of notice of Board Meeting & Financial Results, not maintaining a functional website and making investments in excess of the prescribed Limits. The Company hereby informs that it has already initiated the process of finding a suitable candidate for the post of Company Secretary and shall make appointment when it finds the desired candidate. The Promoter shareholding will be converted in to Demat at the earliest as per regulations 31 (2) of LODR. The yearly/quarterly results and notice of Board Meeting are duly hosted on the website of the Company at [www.sagarsoyaproducts.com](http://www.sagarsoyaproducts.com) and is easily accessible in public domain at the Website of BSE Limited at hence the company does not publish the said results in the requisite newspapers as applicable as per Regulation 47(1) a & b of Listing Obligation and Disclosure Requirements, Regulations 2015. The Company's Website is being updated and is therefore not functional, further the reasons given by the secretarial auditor in their report are self-explanatory in itself. The Report of the secretarial auditor in MR-3 is given as an annexure which forms part of this report.

### **13. PARTICULARS OF REMUNERATION OF EMPLOYEES AND DIRECTORS**

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. The Directors of the Company do not draw any Remuneration.

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 **five times** on **30<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 14<sup>th</sup> December, 2017 and 14<sup>th</sup> February, 2018.**

### **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, 2016, 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**

There is an outstanding amount of unsecured loans from its Director of Rs. 50,573,352/- as on the financial year ended 31<sup>st</sup> March, 2018.

### **18. DIRECTORS**

The Board of Directors of the Company is duly constituted as per the applicable provisions of the Companies Act, 2013 and that of the Listing Obligations and Disclosure Requirements 2015.

Further during the year there was no change in the Board of Directors of your Company.