

Notice is hereby given that the Twelfth Annual General Meeting of the members of Sanwaria Agro Oils Limited will be held at its Registered office, 19-30, Industrial area, Kheda, Itarsi on 30th August, 2003 at 4.P.M. to transact, with or without modification, as may be permissible, the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on March 31st, 2003 and the Profit and Loss account for the year ended on that date and the reports of the Directors and Auditors thereon.
2. To appoint a director in the place of Shri Anil Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in the place of Shri Shyam Babu Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in the place of Mr. Rajul Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in the place of Ms. Beenu Garg, who retires by rotation and being eligible, offers himself for re-appointment.
6. To Appoint Auditors and fix their remuneration and, to consider, and, if thought fit, to pass with or without modification(s), the following resolution as an ordinary Resolution:-

Resolved that, pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies act, 1956 M/S M. Munshi & Company, Chartered Accountant, the retiring auditors, be and are hereby re appointed as Auditors of the Company to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration as may be fixed mutually by the Board of Directors plus reimbursement of out of pocket expenses.

Special Business

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

Resolved That in super cession of special resolution passed in this behalf at the Seventh AGM held on 30.09.98 and subject to the provision of Section 198, 269, 309, 311 Schedule XIII and other applicable provisions if any, the Company hereby approves the reappointment of Mr. Ashok Agrawal as Whole Time Director of the Company for a period of Five Years w.e.f. 01.04.2003 on the following terms and conditions and remuneration.

Salary : RS. 80,000/- P.M.

Perquisite:

Housing "A"

- a) The expenditure incurred by the company on hiring accommodation shall subject to a ceiling of 60% of the Salary.
- b) In case no accommodation is provided, he shall be entitled to house rent allowance, subject to the ceiling laid down above.
- c) The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules 1962 this will however subject to a ceiling of 10% of his salary.

II Medical Reimbursement:

Expenses incurred for self and family subject to ceiling of one month salary in a year & of five month salary in period of five years.

III. Leave Travels Concession:

For self and family every year incurred in accordance with the rules of the company

IV Fees for club subject to a maximum of two clubs, admission and life membership fees is not allowed.

V Personal Accident Insurance:

Premium not exceeding Rs. 4000/- Per Annum

Explanation: for this purpose of Part A family means spouse, the Dependent Children and the dependent parents.

Part B:

- I. Contribution to Provident fund, Superannuation fund or Annuity Fund will not be included in the Computation of the ceiling on perquisite to the extent these wither singly or put together are not taxable under the Income Tax Act, 1961.
- II. Gratuity Payable as per the rules of the Company but not exceeding half a month, salary for each completed years of service.
- III. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Part C:

Provisions of Car for use for Company's business and telephone at residence will not be considered as perquisites, personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole time Director.

No Sitting fees will be paid to him for attending meeting of the Board of Directors or Committee thereof. In the event of absence or inadequacy of profit in any financial year he will be paid the above remuneration as minimum remuneration subject to the over all ceiling laid down in part II of Schedule XIII"

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

Resolved That in suppression of special resolution passed in this behalf at the Seventh AGM held on 30.09.98 and subject to the provisions of Section 198, 269, 309, 311 Schedule XIII and other applicable provisions if any, the Company hereby approves the reappointment of Mr. Satish Agrawal as Whole Time Director of the Company for a period of Five Years w.e.f. 01.04.2003 on the following terms and conditions and remuneration.

Salary : RS. 80,000/- P.M.

Perquisite:

Housing "A"

- d) The expenditure incurred by the company on hiring accommodation shall subject to a ceiling of 60% of the Salary.
- e) In case no accommodation is provided, he shall be entitled to house rent allowance, subject to the ceiling laid down above.
- f) The expenditure incurred by the company on gas, electricity, water and furnishing shall be valued as per Income Tax Rules 1962 this will however subject to a ceiling of 10% of his salary.

II Medical Reimbursement:

Expenses incurred for self and family subject to ceiling of one month salary in a year & of five month salary in period of five years.

III. Leave Travels Concession:

For self and family every year incurred in accordance with the rules of the company

IV Fees for club subject to a maximum of two clubs, admission and life membership fees is not allowed.

V Personal Accident Insurance:

Premium not exceeding Rs. 4000/- Per Annum

Explanation: for this purpose of Part A family means spouse, the Dependent Children and the dependent parents.

Part B:

- IV. Contribution to Provident fund, Superannuation fund or Annuity Fund will not be included in the Computation of the ceiling on perquisite to the extent these wither singly or put together are not taxable under the Income Tax Act, 1961.
- V. Gratuity Payable as per the rules of the Company but not exceeding half a month, salary for each completed years of service.
- VI. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Part C:

Provisions of Car for use for Company's business and telephone at residence will not be considered as perquisites, personal long distance calls and use of car for private purpose shall be billed by the Company to the Whole time Director.

No Sitting fees will be paid to him for attending meeting of the Board of Directors or Committee thereof. In the event of absence or inadequacy of profit in any financial year he will be paid the above remuneration as minimum remuneration subject to the over all ceiling laid down in part II of Schedule XIII"

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

Resolved that in continuation of the special resolution passed at the 8th Annual General Meeting held on 15th September, 1999 & in accordance with sec 80, sec 80A & other applicable provisions of the Companies Act, 1956, the Board of Directors of the Company be & is hereby authorized to redeem the existing 2000000 12% Cumulative Redeemable, Participating Preference Shares of Rs 10 each & any further issue of said Preference Shares as & when they deem fit, by converting them into Equity Shares.

Resolved further that the existing '12% Cumulative, Redeemable, Participating Preference Shares' be & is hereby reclassified & renamed as '12% Convertible, Cumulative Redeemable, Participating Preference Shares'.

Resolved further that the Board of Directors of the company are also authorized to enlist the existing 2000000 12% Cumulative Redeemable, Participating Preference Shares of Rs 10 each & any further issue of said Preference Shares on such Stock Exchange(s) as the Board of Directors may deem fit.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The register of Members and Share Transfer Books of the company will remain closed from Friday, August 22nd, 2003 to Saturday, August 30th, 2003 (both days inclusive)
3. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfers Agents of the Company viz. Tata Share Registry Limited, Army And Navy Building, 148 Mahatma Gandhi Road, Fort, Mumbai- 400 001.
4. Members who hold shares in the physical form are requested to notify immediately any change in their address to the Registrar and share Transfer Agents of the company at the above mentioned address.
5. As per the provisions of the Companies Act, 1956 the facility for making nomination is available to the shareholders in respect of Equity Shares held by them. Shareholders holding shares in physical form may send their request for nomination in the prescribed form 2B duly filled in and signed to the Company's Registered Office. The facility would be made available folio wise to individual shareholders including joint holders. The members holding shares in dematerialized form may contact and consult their respective Depository Participant (DP) for availing the nomination facility.
6. The Equity Shares of the Company have been activated for dematerialization with National Securities Depository Limited (NSDL) and Central Depository Services (I) Ltd. (CDSL) w.e.f. 15th March 2001 vide ISIN INE890C01020.

7. Trading in equity shares of the Company through Stock Exchanges was made compulsory in dematerialized/ electronic form w.e.f. 02nd April, 2001. To facilitate trading in demat form, the company has entered into agreement with both the depositories in India i.e. NSDL and CDSL. Shareholders can open demat account with any of the Depository Participants registered with any of these Depositories.
8. The Depository Services (DS) envisages elimination of several problems involved in the scrip based systems such as bad deliveries, fraudulent transfers, mutilation of share certificates, etc. Simultaneously DS offers several advantages like exemption of stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction costs, improved liquidity, etc.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956.

Explanatory Statement pursuant to Item No. 7:-

Shri Ashok Agrawal was reappointed as a whole time Director of the Company with effect from 1.4.98. for a period of 5 years. As such he is reappointed as a whole time director with effect from 1.04.2003 . Mr Ashok Agrawal is a commerce graduate & has over 20 years of managerial & administrative experience in Dall & Oil mills ,roller flour mills & solvent extraction plant. The company would be benefited by his versatile experience. It would be in the interest of the company to have him as a whole time director of the company.

None of the Directors except Shri Ashok Agrawal are interested in the said resolution.

Explanatory Statement pursuant to Item No. 8:-

Shri Satish Agrawal was reappointed as a whole time Director of the Company with effect from 1.4.98. for a period of 5years. As such he is reappointed as a whole time director with effect from 1.04.2003 . Shri Satish Agrawal is a commerce graduate & has over 20 years of managerial & administrative experience in Dall & Oil mills ,roller flour mills & solvent extraction plant. The company would be benefited by his versatile experience. It would be in the interest of the company to have him as a whole time director of the company.

None of the Directors except Shri Satish Agrawal are interested in the said resolution.

Explanatory Statement pursuant to Item No. 9:-

The Board of Directors of the Company had issued 2000000 Cumulative Redeemable Participating Preference Shares in accordance with the powers delegated by the Annual General Meeting held on 15th September,1999. In order to increase the existing Equity Capital base of the company the Board had proposed to convert the existing & any further issue of the said Preference shares into Equity Shares. The resolution for the same is placed before the Annual General Meeting for the purpose of its approval.

DATE:-

PLACE:-

By the Order of the Board
Anil Agrawal
Director

PROXY FORM**SANWARIA AGRO OILS LIMITED****REGISTERED OFFICE : 19-30 INDUSTRIAL AREA KHEDA ITARSI – 461 111 (M.P.)**

I/we _____ of _____ in
 the district of _____ being a member/s of SANWARIA AGRO OILS LIMITED
 hereby appoint _____ of _____ in the district
 of or failing him/her _____ of _____ in the district
 of _____ as my/our proxy at the 12th Annual General
 Meeting on the 30th Day of August, 2003 and at any adjournment thereof as witness my/ our hand/s this day of
 _____ 2003

Affix one Rupee

Signed by the said _____

Revenue Stamp

Member(s) Name (s) _____
 (in Capital Letters)

Folio No. _____ No. of Shares _____

Note:

1. The proxy must be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.
2. A proxy need not to be the member of the company.
3. Please fill in full particulars

Strike out whichever is not applicable

ATTENDANCE SLIP**SANWARIA AGRO OILS LIMITED****REGISTERED OFFICE: 19-30 INDUSTRIAL AREA KHEDA ITARSI – 461 111 (M.P.)**Record of attendance at 12th annual General Meeting

Member(s) Name(s) _____
 (In Capital Letters)

Folio No. _____ number of shares held _____

DP.ID. _____ Client ID No. _____ No. of Shares Held _____

Name of the shareholder or proxy or representative attending the meeting

Mr./ Ms. _____
 (In Capital Letters)

Signature _____

We dedicate to the following:



To provide best possible returns to our shareholders



To have the best blend of minds at the management desk



To admit our responsibility and accountability towards the society and the environment



To provide congenial atmosphere to our employees and the means whereby they can excel their performance



To build trust based relationship with the customers by providing them with the standard products at competing prices



To implement the principles of Corporate Governance so as to maintain higher degree of transparency and reliability



To cherish mutually satisfying relationship



To encourage creativity and value in thoughts



To update the technology level so as to compete at international level

❑ **Board of Directors**

Chairman and Managing Director	Shri Ram Narayan Agrawal
Whole Time Director	Shri Satish Agrawal
Whole Time Director	Shri Ashok Agrawal
Whole Time Director	Shri Gulab Chand Agrawal
Director	Shri Anil Agrawal
Director	Shri Dagru Lal Goyal
Director	Shri Shyam Babu Agrawal
Director	Shri H.K. Agrawal
Director	Shri Uma Shankar Agrawal
Director	Shri Rajul Agrawal
Director	Shri Gopal Babu Agrawal
Director	Smt. Beenu Garg

❑ **Company Secretary
Cum Compliance Officer.**

Sonali Sanas

❑ **Bankers**

- Punjab National Bank
Jaystambh Chowk,
Itarsi.

- Punjab National Bank
New Market,
Bhopal.

- ICICI Bank,
Zone II, M.P. Nagar,
Bhopal.

❑ **Auditors**

M. Munshi & Co.
Chartered Accountants
305, Navneet Plaza,
5/2 Old Palasia,
Indore.

❑ **Registered Office & Works**

19-30, Industrial Area,
Kheda, Itarsi -461 111.

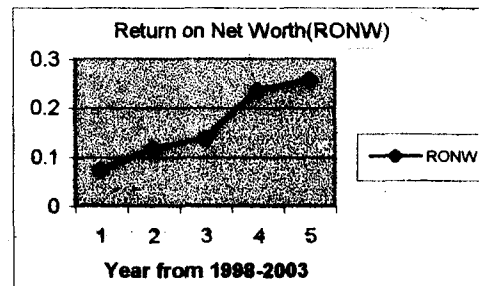
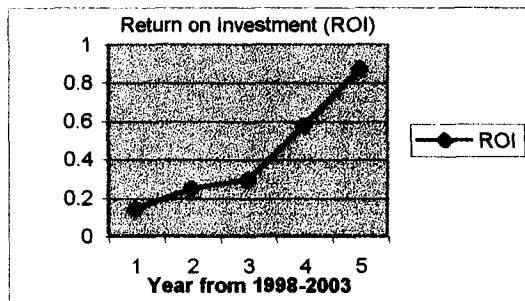
❑ **Corporate Office**

E-6/MIG-127,
Arera Colony,
Bhopal.

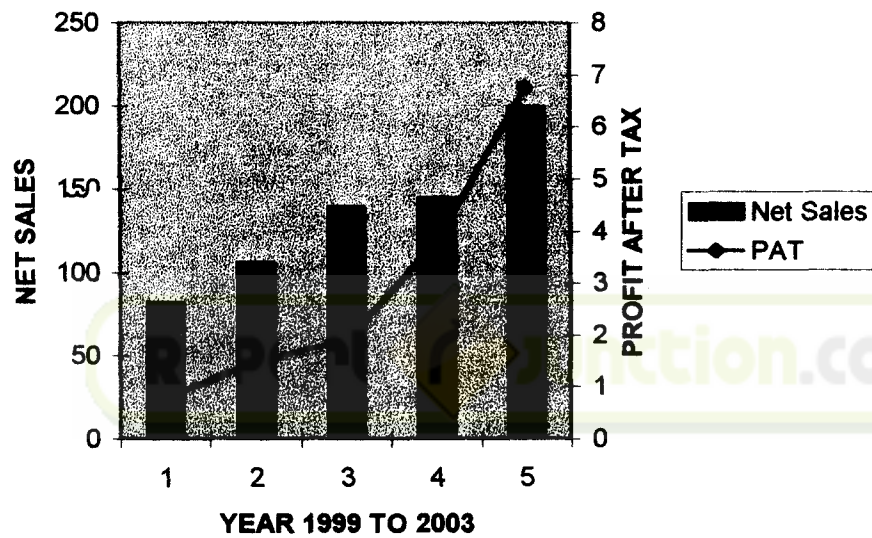
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Financial Performance of SAOL for past 5 years at a glance.



SALES & PROFIT TREND



From the Chairman's Desk

Dear Shareholders

In India, the agricultural sector occupies the center stage in the country's overall Economic Growth & Development. It contributes almost nearly 1/3 of the Gross Domestic Product of our country. Soya bean in India has experienced a phenomenal increase both in area & production during the last two decades. In the financial year, 2002-03, the Indian Soya bean Industry had witnessed downfall in production of Soya Seed. The production of Soya Seed in 2001-02 was 5.86 Million Tones, which was reduced to 4.27 Million Tones in 2002-03. Consequently, the performance of the Soya bean Industry was largely affected.

But as known the true test of ones ability is made when the things aren't the way as one expected or believed it to be. History have witnessed that the survival of the fittest is the only mantra.. We are the one who had shown results despite tough competition, adverse circumstances and general slowdown of the Industry as a whole. We outperform the industry on no. of counts:

- We have achieved the capacity utilization of 90.73% while the industry is beleaguered on 35%
- The electricity consumption of our company is 35.69 units per metric tone of soya seed consumed whereas the industry average is 40 units per metric tone of soya seed consumed.

This is only the cover page of the company's success book. As the management of your Company realized that market positioning, market leadership & Brand Building is critical for the success of any company, during the financial year 2002-03, your company ventured into the Retail Marketing Business under the Brand Names 'SULABH' & 'NARMADA'. The market catch-up of these two brands had given rise to a strong belief that the retail business would multiply the profitable growth & performance of your company.

We have always believed that long- term corporate performance is often determined by the actions taken in response to cyclical challenges and downturns. Early in the year, we established clear objectives that guided us throughout the year, and will continue to enable SAOL to deliver robust, profitable and sustainable results.

At SAOL we make the strategies that attempts to successfully adopt the cost effective policy and give positive results. During the year under review, we have realized the importance of increasing the liquidity of shares & to deliver a value to our shareowners that is commensurate with our managerial depth & financial solidity. As we are determined to be the best in doing what matters the most ,your company have taken the following steps during the Financial Year 2002-03 in the said direction:-

- Splitting of Equity Shares from Rs 10 to Rs 5 each thereby issuing two shares for every one share held.
- Issue of Bonus Shares in the ratio of 1:5.
- Listing of the Equity shares of the company at the National Stock Exchange is on cards.

The true judge of any Company's prospects lies in its potential - not of what it is- but of what it can be – which bring us to our final comments that address our perspective on the future of our Industry and what implication it has on SAOL.

India is unlashng tremendous potential in conventional and non-conventional raw feed materials. Indian Soya bean Export accounts for over 4.3 Million Tones of Deoiled Meal valued at US\$ 800 million annually. The Indian Soya bean extraction, has a high pro- fat content (nearly 49% - 50%) compared to 44% pro-fat content of China and other western countries and is very well accepted in the International market. The Indian Soya bean belongs to the Non G.M.O class of Soya bean & the Non G.M.O Soya bean is of good quality & is catering a separate market.

The Export of Soya bean meal/ DOC is reported at 1.33 Lakhs Metric Tones compared to 2.51 Lakhs Metric Tones of the last year i.e., down by 47%. The main reasons for such decrease is as follows:

- (a) The production was reduced by 20% to 43 lacs tones in 2002-03 compared to 54 lacs tones during 2001-02.
- (b) The crushing margin was very poor as Soya bean prices shoot up or increased from Rs. 11200 to Rs 15500 per tones.
- (c) Tough competition from China, which exported additional one million, tones to Far East market.
- (d) The Domestic consumption of Soya bean meal is increasing from year to year by about 10-12%& due to increase in price realization in domestic market the availability for exports have been further reduced .

Due to the above stated reasons, the exports of your Company decreased marginally but the total sales had been continued to show the rising trend during the year, thereby neutralizing the effect of fall in exports.

But through the peaks and valleys, the undisputable thing is that your company is delivering results against a well-defined strategy with a more balanced portfolio, and a renewed commitment to deliver.

We will continue to focus on performance, profitability and delivering the sustainable financial results.

Before I conclude, I would like to take this opportunity to convey my gratitude to all stakeholders, our employees, our bankers and all our customers. I am optimistic that your Company will continue to perform up to the expectations of all its stakeholders.

Thanking You

Yours sincerely
R.N. Agrawal
Chairman

DIRECTORS REPORT

To
All the Shareholders

Your Directors have pleasure in presenting the 12th Annual Report together with the audited accounts of the company for the year ended March 31st, 2003.

Financial Results:

The Financial results for the year ended March 31st, 2003 along with the comparative figures for the previous year are given below : (Rs. in Lacs)

Particulars	2003	2002
Turnover (inclusive of other income)	20145.50	14514.57
Gross Profit (before depreciation, Interest and Tax)	1001.15	630.80
Less: Depreciation	54.69	49.26
Less: Finance charges	94.74	102.51
Profit before Tax (PBT)	851.71	479.03
Less: Tax	223.18	102.16
Profit after Tax (PAT)	628.53	376.87
Dividend	240.83	13.22
Reserves	1643.04	953.34
Shareholders Fund	2426.64	1606.34
Book Value	18.28	29.04
EPS	4.61	2.74
CEPS	5.07	3.15

Focus on value creation

Value creation- a prime objective at Sanwaria Agro Oils Limited, that goes beyond strategies, to deliver appreciating results, healthy outlook and clearly defined future objectives by channelising its energies into well-designed initiatives. The company is endeavoring towards value creation of shares for the shareholders of the company by unlocking the value of shares and to increase the liquidity of shares

During the said financial year, with the view of increasing the liquidity, your Company had splitted its shares by reducing the face value of the shares from Rs. 10/- fully paid up to Rs. 5/- fully paid up by issuing two shares for every share held on the record date viz. 30th June, 2002. This has resulted in increasing the number of shares by 5530000 Equity shares; making the total to 11060000 Equity shares, thereby enhancing the liquidity of its shares. The company had also issued Bonus shares in the ratio of one share for every five shares held on the record date, which is 20th September 2003.

Further, in order to increase the capital base, the company had allotted 650000 Equity shares on Preferential basis @ Rs. 20/- (premium of Rs 15) and 80000, 12% Cumulative Participating Redeemable Preference shares to the promoters of the Company on 14th May and 19th May, 2003 respectively.

Your Company consistently tried to create more value and wealth opportunities for all its stakeholders.

Business prospects

In a highly competitive market environment, it is essential to respond with such products and services that will not only improve the quality of product but also increase your Company's market leadership in the Soya Industry. We are looking forward to increase our share in the Soya Industry by focusing on brand building and diversifying the production activities. Your Company accordingly launched edible oil in the Consumer Pack of 15 literes/ kg under the brand name 'Sulabh' and 'Narmada' during Third and Fourth quarter of the financial year 2002-03 respectively. 'Sulabh' is introduced to cater the needs of lower middle class while 'Narmada' is aiming for medium and upper middle class. The retail sale had increased by nearly 50% in the first quarter of the financial year 2003-04 in comparison to the last quarter of the Financial Year 2002-03. After seeing the wide possibility in the edible oil market and grant success of 'Sulabh', your Company is now planning to launch the Edible oil in the consumer pack of 1 to 5 liters.

Dividend

The Company had paid an Interim Dividend of 30 % (Rs. 1.5/- per share) amounting to Rs.208.83 lacs to Equity shareholders and 12 % Interim Dividend (1.2/- per share) amounting to Rs. 24 Lacs to 12% Cumulative Participating Redeemable Preference shareholders. The Board has recommended the Final Dividend of Rs. 240.83 lacs for the year ended March 31st, 2003.