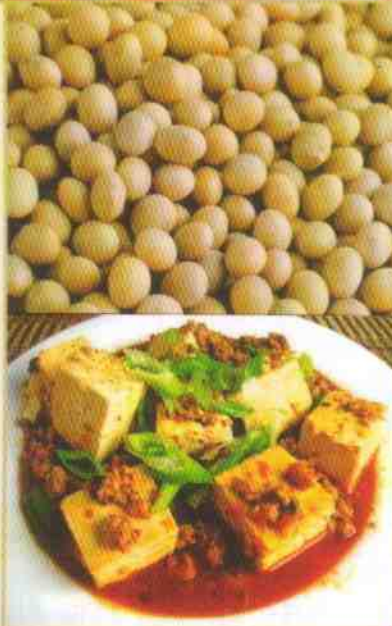
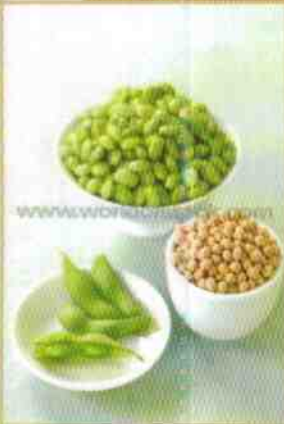




SANWARIA GROUP

Serving Society through Industry



19th ANNUAL REPORT 2009-2010



SANWARIA AGRO OILS LIMITED

A Sanwaria Group Enterprise

An ISO-9001:2000 Certified Company

A GOVT. RECOGNIZED ONE STAR EXPORT HOUSE

19-30, Industrial Area, Kheda, Itarsi (M.P.) India



SANWARIA AGRO OILS LIMITED
A Sanwaria Group Enterprises
An ISO-9001:2000 Certified Company

Registered Cum Corporate Office

E-1/1, Arera Colony
Bhopal - 462016 (M.P.)

Branch Cum Marketing Office

10, Modi House, Ground Floor,
Bora Masjid Street, Fort,
Mumbai - 400001

Bankers

Punjab National Bank
State Bank of India
State Bank of Indore
IDBI Bank Ltd.
Standard Chartered Bank
Axis Bank Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Yes Bank Ltd.

Auditors

Sunil Saraf & Associates
Chartered Accountants
401-B, Shalimar,
Corporate Centre
4th Floor, South Tukoganj
Behind High Court,
Indore - 452010

Registered & Transfer Agent

Karvy Computershare Pvt. Ltd.
Hyderabad

Company Secretary

Ms Reena Gurbani

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Plants

(Name of the Unit and Locations)

- 1) Soya Division
19-30, Industrial Area, Kheda, Itarsi (M.P.)
- 2) Soya Division Unit-I
53A, 53B & 55, Sec-A, Ind Area,
Mndideep (M.P.)
- 3) Soya Division Unit-II
53A, 53B & 55, Sec-A, Ind Area,
Mndideep (M.P.)
- 4) Soya Division
Kosmi, Ind. Area, Betul (M.P.)
- 5) Soya Division Unit-I
Pidgaon, Harda (M.P.)
- 6) Soya Division Unit-II
Pidgaon, Harda (M.P.)
- 7) WTGs – 11 Nos.
Location No.
10, 11, 12, 13, 16, 17, 18, 19, 20, 21 & 23
Nagda Hill, Dewas (M.P.)
- 8) WTGs – 3 Nos.
HT SC No. 2613, 2614, & 2615

BOARD OF DIRECTORS

Chairman

Shri Ram Narayan Agrawal

Whole Time Director

Shri Satish Agrawal

Whole Time Director

Shri Gulab Chand Agrawal

Whole Time Director

Shri Anil Agrawal

Whole Time Director

Shri Ashok Agrawal

Non Executive Director

Shri Rajul Agrawal

Independent Director

Shri Surendra Kumar Jain

Independent Director

Shri H. K. Agrawal

Independent Director

Shri Shyam Babu Agrawal

Independent Director

Shri Hans Kumar Verma

Independent Director

Shri Kesri Singh Chauhan

Independent Director

Shri Santosh Kumar Tiwari





Solvent Extraction Plant at Mandideep



R. N. Agrawal

Chairman's Massage

Dear Shareowners,

It gives me immense pleasure to introduce you 19th Annual Report of your Company for the financial year 2009-2010.

Our motto has always been to achieve success and constantly re-invent and better ourselves by exploring, entering and capturing new avenues.

Product development has been central to your Company's growth plans. Your Company has built its growth on the four pillars of capacity enhancement, range expansion, diversification and increasing global footprints as the Company is going to enter into production of Basmati.

View on operations of the Company during the year under Review

Your Company's Net Revenues stood at Rs.1133 crores and Net Profit Rs.38.8 crores reflecting an increasing trend over the years.

In India, we are much better positioned as Global Economy clearly indicates visible signs of recovery. During the financial year 2009-2010, India's GDP growth rate was 7.4% as against 6.7% in the previous year and India's projected GDP growth rate stands at above 8%,

Your company has been ranked at 9th as per total income in the food and agro processing sector under India's top 500 companies 2009 by Dun & Bradstreet.

Soya Industry - outlook

As per general budget 2010-2011 a four-pronged strategy to spur the growth in agriculture sector envisaged which includes agricultural production, reduction in wastage of produce, credit support to farmers and thrust to the food processing sector which is a good sign of development of agriculture Industry.

About 85 percent of the world's soybeans are processed, or "crushed," annually into soybean meal and oil. Approximately 98 percent of the soybean meal that is crushed is further processed into animal feed with the balance used to make soy flour and proteins. of the oil fraction, 95 percent is consumed as edible oil, the rest is used for industrial products such as fatty acids, soaps and bio diesel.

Soya is one of the few plants that provide a complete protein as it contains all eight amino acids essential for human health.

Soya bean is a complete reservoir of nutrients, especially proteins.

Moving on to the Dividend

Your Directors have recommended a dividend of 20% per equity share vis-à-vis 15 % per equity share in the previous year. This accounts for 9% of the net profit.

Corporate Governance

The basic philosophy of corporate governance in the Company is to achieve business excellence and enhance shareholder value, keeping in view the needs and interests of its shareholders. Your company is following a system of corporate governance which ensures transparency, fairness, independence, accountability, integrity and social responsibility and it has adopted all mandatory provisions as mentioned in the Listing Agreement signed with the Stock exchanges.

Company Vision

As you are aware, the Company has, over the last few years, been focusing on increasing its presence in international markets. This focus was partly to enable us to reduce our dependence on vagaries of the domestic economy and open out new avenues for growth.

Going forward company has started imports of various commodities to strengthen its position in international market.

Your Company is committed to preserve mineral resources, emissions and reductions of Green house gases and provide health and safety to the society. In this way your Company is a power and carbon positive.

Sustainable Development and environment conservation are continuously on your Company's radars. Hence, these are integrated into its business strategies. Clean technologies and processes that combine both economic progress and sustainable environment are a top priority for your Company's management. Your Company's thrust on the use of alternative fuels is gaining momentum. It has been relentlessly striving to reduce consumption of fossil fuels by substituting these with wastes from other industries

Acknowledgement

Considering the overall economic scenario and the various initiatives being taken by your Company, I am confident that Sanwaria would endeavor to increase its shareholders' wealth and play a significant role in contributing to the socio-economic growth of the country. I am thankful to my colleagues on the Board, our employees, and to all of you who are part of the extended Sanwaria family for your support during these exciting times. We will continue to draw upon your support and goodwill, as further challenges emerge, in the business environment around us, and together we are determined to become a more efficient and quality-oriented organization

R.N.Agrawal
Chairman



Director's Report

To
All the Shareowners

Your Directors are pleased to present the 19th Annual Report together with the Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS:

The Financial Results for the year ended on 31st March, 2010 along with the Comparative figures for the previous year are given below:

(Rs. in lacs)

Particulars	FY 2010	FY 2009
Turnover (inclusive of other Income)	111676	111144
Gross Profit (before depreciation, Interest and Tax)	7745	7337
Less: Depreciation	527	562
Less: Finance Charges	1452	1056
Profit before Tax (Before Deferred Tax)	5764	5718
Less: Tax (Current)	1783	1454
Profit after Tax (Before Deferred Tax)	3980	4264
Less: Tax (Deferred)	99	459
Profit After Deferred Tax	3881	3805
Dividend	348	435
Reserves	17119	13658
Shareholders' Fund	18573	15020
EPS	2.27	2.27
DEPS	2.27	2.27

Operational Review

Division wise operational performance for the year ended 31st March, 2010 was as under:

Oil Division

During the year Soya Seeds processed stood at 219662 MT. Your company sustained to be one of leading player in the Edible Oil sector. The Capacity Utilization of the solvent extraction plant has been constantly higher during the year under review.

Refinery Division

Production of Refined oil stood at 27701 MT during the year under review.

Dividend

The Board of Directors has recommended Final Dividend @20% for the year 2009-2010 to the Equity Shareholders of the Company.

Transfer to Reserve

Your company proposes to transfer 10 % to the profit earned during the year i.e. Rs.400 lacs to the General reserve. The company proposes to retain an amount of Rs. 3054 lacs out of Current year's profit in the profit & loss account.

Achievements & Awards

During the Year Company has been ranked 316 in terms of market capitalization, capital employed, Gross Block, Sales, Profit after tax by Research Analyst of Capital Market in 2009 Compendium of Top 500 Companies.

Ranked at 333rd in terms of Total Income, 360th in terms of Net Profit & 492nd in terms of Net Worth in 2009 Compendium of TOP 500 companies in India by Dun & Bradstreet Information Services India Pvt. Ltd..

Ranked 343rd in terms of Market capitalization, 459th in terms of net worth, 365th in terms of Gross Profit, 294th in terms of sales/Total Income and 409th in overall/composite ranking by Financial Express.

Ranked 9th as per Total Income in the Food and Agro Processing Sector in Dun & Bradstreet's India's Top 500 Companies 2009.

New Projects/ Expansions/Acquisitions

Company has achieved a combined extraction capacity of 3250 MT per day and refining capacity of 350 MT per day and it has plans to achieve up to 4250 MT per day by end of this year.

Company has also successfully implemented ERP Solution in its all plants and offices

Company has also started importing in all commodities like Soya Crude Degummed Oil, Crude Palm Oil, Coal etc.

SAOL also has plans for entering into production and marketing of value added Soya based products by setting up a plant for manufacture of Soya Flour, Soya Protein Concentrate, Soya Protein Isolates, Soya Powder/Granules, Soya Lecithin Powder, Soya Lecithin Granules, Soya Phytosterol, Soya Mix Tocopherol, Organic Soyabean Meal, Organic Soya Oil, T.V.P./Chunks/Nuggets, Soya Milk, Soya Tofu etc. All this is aimed at increasing the market share of the company in edible oil sector to 20 pc from existing 10 pc.



Going forward Company is also planning to enter into Solar Power Projects and Basmati manufacturing and export.

Future Strategy

The company is focusing on its brand promotion. Company has entered into long-term marketing and branding strategy in place and has appointed a firm of repute for ad campaigns, radio jingles, hoardings, magazines, newspapers etc for brand promotion. Through these routes company will increase its branded sale to 25-30%.

SAOL is almost at the final stage to be certified by ISO-14001 & 22000.

Your Company is thus focusing on expansion of branded business, Introduction of health based products, improvement of its presence in domestic oil segments. Your company is in the process of setting up / expanding production facilities at the new locations / existing plants to cater to the growing demand and sustain leadership position.

Wind Power and Infrastructure.

Company has Wind Turbine Generators of 8.4 MW capacity out of which 1.8 MW at Tenkasi in Tamilnadu and 6.6 MW at Dewas in Madhya Pradesh. This Segment of your Company registered revenue of Rs 406.33 lakhs and Profit Before Tax (PBT) of Rs 236.11 lakhs, for the year ended on 31st March, 2010.

Being continued with the move of cost reduction it has plan of expanding its power generation capacity through wind turbines by 6 MW.

This will lead to increase in efficiency and reduction in cost of production also create pollution free and healthy environment. To ensure maximum efficiency and create value by backward integration, the company intends to venture into bio-fuel production; it will be produced from the by-products of edible oil, other derivatives and origins of plant oils.

Capital Structure

In the Financial year 2009-10 the Authorised share Capital of the company has changed to Rs. 21,00,00,000 (Rupees Twenty One Crores) consisting of 21,00,00,000 (Rupees Twenty One Crores) Equity share Capital of Re. 1/- each.

Public Deposits

During the year ended March 31st 2010, your Company has not accepted any deposits from the public during the year under review.

Directors

Mr. Hari Kishan Agrawal, Mr. Surendra Kumar Jain and Mr. Hans Kumar Verma retire by rotation in

accordance with the provisions of the articles of Association of the company and being eligible offers themselves for reappointment.

Subsidiary Company

The Reports of directors and Statement of Accounts of Subsidiary Shrinathji Solvex Limited together with the Auditors report thereon are attached. The requisite statement pursuant to Section 212 of the Companies Act, 1956 is also attached with.

Directors Responsibility Statement

Pursuant to section 217(2AA) of the Companies (Amendment) Act 2000, the Directors confirm that:

- ◆ In preparation of the Annual Accounts, the applicable Accounting Standards have been followed and that there are no material departures.
- ◆ They have consulted the Statutory Auditor in the selection of Accounting Policies. The Policies have been applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended March 31st, 2010 and the profit and loss for the year ended March 31st, 2010
- ◆ Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- ◆ The Annual Accounts have been prepared on a going concern basis.

Personnel

None of the employees of the Company were paid such remuneration during the year under review, which attract the provisions of Section 217(2A) of the Companies act, 1956 as amended.

Auditors and Auditors' report

M/s Sunil Saraf & Associates, Chartered Accountants, Indore have expressed their willingness to continue in office as Statutory Auditors for the financial year 2010-2011 and have certified that the appointment if made would be within the prescribed limit u/s 224(1B) of the Companies Act, 1956. Accordingly a resolution proposing their appointment is being submitted to the AGM.

The Auditors' Report for the year under review is self-explanatory and hence does not require any explanation.

Corporate Governance

The Company has in practice a comprehensive system of Corporate Governance. A detailed and separate