

SANWARIA GROUP

Serving Society through Industry

20th ANNUAL REPORT 2010-2011



SAOL

SANWARIA AGRO OILS LIMITED

A Sanwaria Group Enterprise

An ISO-9001:2000 Certified Company

A GOVT. RECOGNIZED ONE STAR EXPORT HOUSE

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



SANWARIA AGRO OILS LIMITED

A Sanwaria Group Enterprise

An ISO-9001:2000 Certified Company

Marketing Office

Room No. 19, 1st Floor, Hassan Ali House, 17, Jijabhoy Dadabhoy Lane, Fort, Mumbai - 400001

Marketing Office

Plot No-1, Flat no.2, Ground Floor, G-Sector, Town Centre, CIDCO, Aurangabad-431003 (M.H)

Bankers

Punjab National Bank
State Bank of India
Standard Chartered Bank
Oriental Bank of Commerce
Bank of India
IDBI Bank Ltd
Axis Bank Ltd
HDFC Bank Ltd
ICICI Bank Ltd
Yes Bank Ltd

PLANTS	UNIT	LOCATIONS
Itarsi	Soya Division	19-30, Industrial Area, Kheda, Itarsi (M.P.)
Mandideep	Soya Division Unit-I	53A, 53B & 55, Sec-A Industrial Area, Mandideep (M.P)
	Soya Division Unit-II	53A, 53B & 55, Sec-A Industrial Area, Mandideep (M.P)
Betul	Soya Division	Kosmi, Industrial Area, Betul (M.P.)
Harda	Soya Division Unit-I	Pidgaon, Harda (M.P)
	Soya Division Unit-II	Pidgaon, Harda (M.P)
Dewas	WTGs-11 Nos	Location No. 10,11,12,13,16,17,18,19,20 21&23 Nagda Hill, Dewas (M.P.)
	WTGs-3 Nos	HT SC No.2613, 2614 & 2615

20th ANNUAL REPORT 2010-2011



Corporate Information

Board of Directors

Chairman

Mr. R. N. Agrawal

Whole Time Directors

Mr. Anil Agrawal

Mr. Ashok Agrawal

Mr. Gulab Chand Agrawal

Mr. Satish Agrawal

Non Executive Director

Mr. Rajul Agrawal

Independent Directors

Mr. Surendra Kumar Jain

Mr. H. K Agrawal

Mr. Shyam Babu Agrawal

Mr. Hans Kumar Verma

Mr. Keshri Singh Chauhan

Mr. Santosh Kumar Tiwari

Company Secretary & Compliance Officer

Ms. Shazia Afzal

Registered & Transfer Agent

Karvy Computershare Pvt. Ltd.

Hyderabad (A.P.)

Statutory Auditors

Sunil Saraf & Associates

Chartered Accountants

Indore (M.P.)

Registered Cum Corporate Office

E-1/1, Arera Colony Bhopal-462016

Tel: 0755-4294878

Fax: 0755-4295038

Website: www.sanwariaagro.com

Contents

Letter to shareholders 3 | Director's Report 5 | Management Discussion & Analysis 12 | Corporate Governance Report 19 | Report of the Auditor 31 | Annexure to the Auditor's Report 33 | Balance Sheet 36 | Profit and Loss Account 37 | Schedules forming part of Balance Sheet & Profit and Loss Account 38 | Balance Sheet Abstract 52 | Auditor's Certificate 53 | Cash flow Statement 54 |



1





A Quality Product of
SANWARIA GROUP



खाना बने
Tasty
दिमाग बने
तेज़



अब देखो
तेल का **खेल**



Sanwaria®

Refined Soyabean Oil

LETTER TO SHAREHOLDERS



Dear Fellow Shareowners,

This financial year was an eventful year for your Company, Your Company witnessed several highs during the year on account of declaration of Bonus shares in the ratio of 1: 1 to its equity shareholders.

Company mission has always been to give maximum worth to the holders of the Company for achieving success, the Company Constantly re-invent and strengthen ourselves. Floating of one subsidiary Company at Singapore under the names of Sanwaria Singapore Pte. Ltd to explore, enter and capture new avenues is one of the new directions.

2011 was a year of unmanageable spiral in food prices, though Sanwaria showed notable and consistent track record of growth, customer satisfaction and innovation, It is known to execute challenging projects with efficiency, speed and confidence and being backed by a highly experienced team of experts from diverse backgrounds that only strengthens our ability to do.

As India is considering among the leading consumers of edible oil globally, the trend is expected to sustain over the next few years. The food and edible oil segment has thrown open an attractive window of opportunities to the Company.

If we move to our Company's performance, Net Revenues stood at ₹ 1621.50 crores and Net Profit ₹ 30.9 crores reflecting an increasing trend over the years.

Indian Economy is expected to grow at 9 percent in 2012, plus or minus 0.25 percent as per general budget in comparison to GDP at 8.7 % in the previous year 2010-2011, Moreover focus has been given for removal of bottlenecks in the supply food sector and moving to improve nutritional security. In view of this Soy is one of the few plants that provide a complete protein as it contains all eight amino acids essential for human health. Soy bean is a complete reservoir of nutrients, especially proteins.

Corporate Governance is an ongoing measure of superior delivery of Company's Objects with a view to translate opportunities in to reality. The primary objective of the Company is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization.

“Sanwaria” is committed to undertake new responsibilities and challenges nationally and internationally by virtue of its strengthened business model and motivated personnel. We are confident of leveraging global opportunities, while adhering to our cherished mission, vision and values.

Going forward company has started imports of various commodities to strengthen its position globally.





20th ANNUAL REPORT 2010-2011

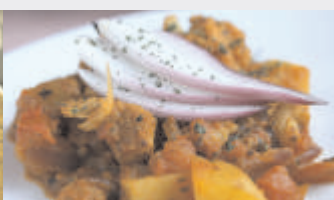
To experience for providing wide range of product, your Company is now to set to emerge as a leading player in the FMCG sector during this year.

At Sanwaria, we believe our growth is inextricably linked to the well-being of our society, We shall continue to undertake measures to ensure a cleaner and greener environment. Clean technologies and processes that combine both economic progress and sustainable environment are a top priority for your Company's management.

On a concluding note, I must admit that I am overwhelmed by the trust and confidence reposed in the Company, its Board, Management and staff for the support extended, by all the stakeholders. I am extremely thankful to the core management team and the supportive staff who have shown exemplary composure and outstanding solidarity towards the Company and its promoters. I take this opportunity to express my gratitude and thanks each of the stakeholder especially the shareholders, my eminent Board members, my colleagues, Banks, Clients, Government Agencies, regulatory Bodies like SEBI, Stock Exchanges etc and vendors. My heart reaches out to the family members of all those who have stood together during testing times and would like to send them a message that we will do all that is necessary to make their effort a proud.

I look forward to your continued confidence and support which will enable us to raise our bar once again.

R.N. Agrawal
Chairman



20th ANNUAL REPORT 2010-2011



DIRECTOR'S REPORT

Dear Members,

We are delighted to present our 20th Annual Report on business and operation for the year ended 31st March 2011.

OPERATING RESULT

The summary of the operating result for the year and appropriation of divisible profits is given below :

Particulars	FY 2011	FY 2010
Turnover (inclusive of other Income)	159203	112647
Gross Profit (before depreciation, Interest and Tax)	7088	7745
Less: Depreciation	578	527
Less: Finance charges	2678	1452
Profit before Tax	3832	5764
Less: Tax (current)	708	1783
Profit after Tax (Before Deferred Tax)	3124	3980
Less: Tax (Deferred)	25	99
Profit After Deferred Tax	3099	3881
Dividend	--	348
Reserves	20052	17119
Shareholder's Fund	21598	18573
EPS	1.73	2.27
DEPS	1.73	2.27

OPERATIONAL REVIEW

Division wise operational performance for the year ended 31st March, 2011 was as under:

Oil Division

During the year Soya Seeds processed stood at 248302 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 33092 MT during the year under review.

APPROPRIATIONS

DIVIDEND

As a measure of prudence and with a view to conserve resources for funding the business expansion plans of the Company, no dividend on the Equity Shares for the year ended 31st March, 2011 was recommended.



TRANSFER TO RESERVE

The Board has recommended to transfer of ₹400 Lacs, being 10% to the profit earned during the year to the General reserve and an amount of ₹ 2699 lacs out of Current year's profit is retained in the profit & loss account.

CAPITAL STRUCTURE

BONUS ISSUE

The Directors are happy to inform you that bonus shares were issued to the shareholders in the ratio of 1:1 by on the record date i.e 08.04.2011 by capitalizing an amount of ₹ 17,40,25,000/- from General Reserve.

AUTHORISED CAPITAL

The authorized share capital of the Company was increased from ₹ 21 crores to ₹ 40 crores to accommodate the additional shares arising out of the issue as above. The shareholders approval for increase in authorized share capital and bonus shares have already been obtained at an Extra Ordinary General Meeting

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed analysis of the operating performance of the Company for the year and the state of affair of the Company in the operating environment has been included in the “Management Discussion and Analysis Report” which forms a part of the Annual Report.

AWARDS & ACHIEVEMENTS

This year also the Company has been dignified;

With 267th Rank in terms of overall performance, 378th in terms of Sales, 193rd in terms of Profitability, 405th in terms of Capital Structure and 221st in terms of Equity valuation by CARE SEARCH in January 2011 in the Industrial Sources Book.

Throned by Inc India in partnership with IBEF on 391st rank on the basis of growth in top Line, bottom Line and operational profit of the last three years in its Inc India top 500 Companies compendium 2010.

And has been shifted from “S” group to its main trading floor i.e. “B” group by the Bombay Stock Exchange during the year.

NEW PROJECTS- ON COMPANY'S RADAR

SAOL is planning to achieve crushing capacity of 4250 MT per day by the end of this fiscal year with comparison to 3250 MT per day extraction and 350 MT refining capacity of per day of previous year along with Palm Oil refining of 150 MT per day and Vanaspati plant of 50 MT per day also in its expansion plan.



20th ANNUAL REPORT 2010-2011



Company has treaded to its own manufacturing of Jar for packaging of Soya refined Oil and RBD Palm Oil and installed for its captive consumption, at a capacity of 10000 Jar per day.

SAOL is trading and importing in all commodities like Soya Crude Degummed Oil, Crude Palm Oil, Coal, Cotton, RBD Palmolien and Sunflower Oil etc.

Company also have 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.

And has thrust on gaining supply strength of RBD palmolien oil under its “Sulabh” brand domestically.

FUTURE STRATEGY

The company is emerging as an FMCG player and focusing to promote its “Sanwaria” brand by entering 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% from 10% of current level.

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 Madya Pradesh. This Segment of your Company registered revenue of ₹ 609.52 lacs and Profit Before Tax (PBT) of ₹ 398.12 lacs, for the year ended on 31st March, 2011. Power segment is contributing hand to the growth of the Company.

Selling whole of its power generation to the MPEB (Madhya Pradesh Electricity Board) and Tamil Nadu Electricity Board thereby contributing to the creation of pollution free and for maintaining and sustaining of eco friendly healthy environment.

SUBSIDIARY COMPANY

During the year under review, the Company has incorporated one wholly owned subsidiary Company in Singapore under the name of Sanwaria Singapore Pte. Ltd, is essentially an importing and trading company in agro product and has not commenced any revenue generating activities.

DIRECTORS

Mr. Shyam Babu Agrawal, Mr. Rajul Agrawal and Mr. Keshri Singh Chauhan retire by rotation in accordance with the provisions of the articles of Association of the company and being eligible offers themselves for reappointment.





20th ANNUAL REPORT 2010-2011

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, 2011 and the profit and loss for the year ended March 31st, 2011.
- 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.

CONSERVATION OF ENERGY, TECHNOLOGY & FOREIGN EXCHANGE EARNINGS / OUTGO

Details of energy conservation and Research and Development activities undertaken by the Company along with information in accordance with the provisions of Section 217(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in Annexure to the Directors' Report.

PUBLIC DEPOSITS

We have not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

FINANCE AND INSURANCE

The banks in consortium continue to offer their highest services to your Company enabling it to source funds at an attractive rate of interest. CARE continued to affirm their rating of “PR2+”, for your Company's Short Term Borrowing and CARE “BBB+” for long term Borrowing. The assets of the Company are adequately insured against all types of risks.

LISTING

The Company is also in viewing to step into Overseas Listing .At present the shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

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.

