



**SANWARIA GROUP**

Serving Society through Industry

"SANWARIA" FMCG Food Product Company



22<sup>ND</sup> ANNUAL REPORT 2012-2013



**SANWARIA AGRO OILS LIMITED**

**A Sanwaria Group Enterprise**

A Govt. Recognized Star Export House

E-1/1, Arera Colony, Bhopal - 462 016 (M.P.) India



INTRODUCED NEW BRAND PRODUCT

We are also entered into different line of product

**"SANWARIA SETH BASMATI RICE"**

We assure as other brand products, this product will also help to ascend the company's profitability and goodwill.



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## SANWARIA FMCG Company

### SANWARIA SERVING INDIA'S BEST Quality Food

SANWARIA provides one of the best quality food products to its Consumers at the minimal cost with highly nutritional, protein, Carbohydrate, dietary fiber, Vitamin, mineral and useful for prevention of many chronic diseases.

### GROWTH PROSPECTS IN SEVERAL AREAS

As a leading FMCG player with a wide portfolio of brands, robust distribution network and deep-rooted understanding of consumer behavior, SANWARIA is well-positioned to penetrate the immense market. **WE ARE TAKING A FRESH LOOK AT OUR RURAL MARKETING STRATEGIES; STRENGTHENING OUR DISTRIBUTION REACH; SHARPENING OUR MARKETING TOOLS; AND CHARTING OUT FRESH COMMUNICATION PLANS.** We intend to take continuous proactive measures for optimising our portfolio, products and channels. We aim to synchronise this goal with our broader aim of connecting with the rural masses through affordable price points and relevant product offerings. By touching the lives of India's 800+ million rural consumers, we are activating a powerful growth engine for our company and creating long-term sustainable value for our stakeholders.



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## SANWARIA FMCG Company

### CORPORATE INFORMATION BOARD OF DIRECTORS

#### CHAIRPERSON

- Mrs. Geeta Devi Agrawal

#### NON EXECUTIVE DIRECTOR

- Mr. Rajul Agrawal

#### COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Nikitasha Mangal

#### WHOLE TIME DIRECTOR

- Mr. Anil Agrawal
- Mr. Ashok Agrawal
- Mr. Gulab Chand Agrawal
- Mr. Satish Agrawal

#### INDEPENDENT DIRECTOR

- Mr. Surendra Kumar Jain
- Mr. H. K Agrawal
- Mr. Shyam Babu Agrawal
- Mr. Hans Kumar Verma
- Mr. Keshri Singh Chauhan
- Mr. Santosh Kumar Tiwari

#### AUDITORS

Sunil Saraf & Associates  
Chartered Accountants

### BANKERS : "Punjab National Bank consortium with other banks"

#### PLANT LOCATIONS:

##### MANDIDEEP

##### SOYA DIVISION UNIT-I

53A-53B, Sector-A,  
Industrial Area, Mandideep (M.P.)

##### SOYA DIVISION UNIT-II

53A-53B, Sector-A,  
Industrial Area, Mandideep (M.P.)

##### RICE DIVISION

55, Sector-A,  
Industrial Area, Mandideep (M.P.)

##### ITARSI

##### SOYA DIVISION

19-30, Industrial Area, Kheda, Itarsi (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.)

##### MARKETING OFFICES:

304-Midas, Sahar Plaza Complex,  
Andheri Kurla Road, Chakala, Andheri (East).

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

##### SUBSIDIARY COMPANY OFFICE

##### Sanwaria Singapore Pte. Ltd

7500A Beach Road, #08-313  
The Plaza, Singapore (199591)

##### REGISTRAR & TRANSFER AGENT

Karvy Computer share Private Limited  
Hyderabad (A.P.)

##### CORPORATE CUM REGISTERED OFFICE

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



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## SANWARIA FMCG Company

### 5 YEARS FINANCIAL HIGHLIGHTS

(` in Lacs)

PARTICULARS	2012-13	2011-2012	2010-2011	2009-2010	2008-2009
NET SALES	196866.09	141533.58	156252.31	111675.70	111143.55
EBIDTA	8617.53	8278.43	7088.35	7744.66	7336.88
PROFIT BEFORE TAX(PBT)	2565.07	1921.01	3831.91	5764.23	5717.99
TAXATION	511.45	216.15	733.10	1882.74	1913.41
PROFIT AFTER TAX(PAT)	2053.62	1704.85	3098.80	3881.49	3804.57
SHARE CAPITAL	3480.50	3480.50	1740.25	1740.25	1740.25
RESERVES & SURPLUS	22039.73	20016.27	20051.66	17119.10	13657.86
SHAREHOLDERS FUND	25497.23	23395.62	21598.41	18573.50	15019.90
BORROWINGS	40473.12	37596.34	42537.71	27215.46	15874.62
EBIDITA TO SALES	4.41%	5.86%	4.53%	6.93%	6.60%
PBT TO SALES (%)	1.31%	1.36%	2.45%	5.16%	5.14%
PAT TO SALES (%)	1.05%	1.21%	1.98%	3.48%	3.42%
DEBT EQUITY RATIO	1.59	1.60	1.96	1.46	1.05
EPS(RUPEES) BASIC	0.59/-	0.49/-	1.73/-	2.27/-	2.27/-
DIVIDEND %	NIL	NIL	NIL	20	25(10% Interim+15% Final)

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## SANWARIA FMCG Company

### CHAIRPERSON MESSAGE



**Dear Stakeholders,**

**Hello,**

We are heartily welcome you all to the 22<sup>nd</sup> AGM of our Company.

Firstly we sorrowfully intimate you all that our ex chairman Late Shri Ram Narayan Agrawal is unfortunately no more with us for giving his kind support. His Valuable contribution for our Company is unaccountable. His devotion has helped the company to reach the top level. We have no words to say about his allegiance for the company.

#### **Moving Forward,**

The Board and Management of the company are presenting the Annual Report for F.Y. 2012 13 to all of you. We are gratifying to share with you the performance of the company.

In this emerging world our company faced the challenging environment in front of its competitor and stand at the top in the market. Now a day the people believe in pure and healthy food. Our company is a leading FMCG Company which provides one of the best healthy and nutritious oil and other food products to the society, with all the efforts are taken to make people healthy.

With escalating population the demand of food and edible oil is strong and growing. Inspite of this india's consumer behavior is evolving at a rapid pace due to globalization. Your company provides the consistent track record of growth, customer satisfaction and innovation. And this is the sign of the future progress of our company.

#### **Performances**

The company performed better in 2012-13. Net Revenue stood at Rs. 1987.48 Crores and Net Profit Rs. 20.53 Crores, following cost control or increasing trade. We have to totally focus on our brand value i.e., refined soya oil, soyabean crude oil, soyadoc (mostly export)/ soya meal/ soya flour.

In India GDP at factor cost prices in Q1 of 2013 is at Rs. 14,7,782 Crore as against Rs. 14,03,727 Crore in Q1 of 2012, showing the growth rate of about to 4.8 percent. Accordingly to the latest rates available, the index of manufacturing growth rates of about to 2.6 percent, in Q1 of 2013, as compared to the growth rates of 0.3 percent in the manufacturing sector in Q1 of 2012.

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### SANWARIA FMCG Company

The GDP for the entire FY 13 grew at 5 percent which is a decade low number. Inspite of this the manufacturing sector of the economy grew at 2.6 percent. India's GDP growth for 2013-14 is expected to be 5.9% - 6.0% . and in the manufacturing sector is expected to be 4%-5%.

Considering that we are part of one of the fastest growing economies – current situation notwithstanding – Manufacturing industry must grow on both economic fronts i.e. domestic and international. In order to be in line with this objective, we are providing to the consumers (i) constant product innovation and (ii) diversification. This diversification must happen on product and market fronts both. The Company's performances in newer markets continuously expand. The continuous success from such efforts has, indeed, been heartening.

Sanwaria adopts the business ethics and compliances for the proper transparency to their stakeholders and also fulfill the commitment of their society through the accurate corporate governance.

I sincerely hope and believe that SANWARIA will continue take these efforts in meeting the industry expectation and interest. We pledge to work together all the times to come.

On behalf of our Company I would like to put on record our sincere gratitude to all the Board members and Management of the company for their expert guidance in finding solutions to various issues faced by the industry in the continuous progress of our company.

I wish to convey my sincere thanks to my colleagues and all officers and staff of the company for their support.

And at the end but not the least we convey our special thanks to all the members of our company for their unstinted support and continuous believe on our company.

Thankful,

**Geeta Devi Agrawal**  
**Chairperson**

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## SANWARIA FMCG Company

### DIRECTOR'S REPORT

**To The Members of Sanwaria,**

Your Directors have pleasure in presenting their report along with the accounts of the Company for the year ended 31<sup>st</sup> March 2013.

FINANCIAL RESULTS		( ` in Lacs)	
	FY 2013	FY 2012	
Net Turnover & Other Income	198748	143315	
Profit before depreciation, Interest and Tax	8617.53	8278.43	
Depreciation & Amortization expenses	615	590	
Finance charges	4472	5767	
Profit before Tax	2565	1921	
Provision for Tax	502	300	
Profit after Tax (Before Deferred Tax)	2063	1620	
Less/Add : Tax (Deferred)	9	(84)	
Profit After Deferred Tax	2054	1704	
Dividend	--	--	
Reserves	22070	20016	
Shareholders' Fund	25497	23396	
EPS	0.59	0.49	
DEPS	0.59	0.49	

### PERFORMANCE REVIEW- OPERATIONAL

Company is making out all effort to ensure that the products developed are in tune with the needs of the consumers and initiated several steps to mark its presence in the premium markets, reducing the marketing lag and improve of the Company's product are some of the current initiative that are expected to help the Company to be a cost effective to enable its to meet the challenges of competitive markets in the future.

#### Oil Division

During the year Soya Seeds processed stood at **191362.04 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 than Industry average.

#### Refinery Division

Production of Refined oil stood at **22425.814 MT** during the year under review.

### APPROPRIATION

#### Dividend

As determine of cautiousness 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 31<sup>st</sup> March, 2013 was recommended.

#### Transfer to Reserves

The Board has recommended to transfer of Rs. 200 Lacs, being 10% (Approx) to the profit earned during the year to the General reserve and an amount of Rs. 1854 lacs out of Current year's profit is retained in the profit & loss account.

#### Capital Structure

The Authorised Capital of the Company is as it is of last year and also the paid – up Share capital of the Company is same for the year ended 31<sup>st</sup> March, 2013 in comparison of previous year.



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## SANWARIA FMCG Company

### MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on the management discussion and analysis report provided in separate section elsewhere in this Annual report.

### BRANDING, AWARD AND RECOGNITION

Your Company won many accolades;

Our Company is registered as **ISO 14001:2004** for Environmental Management System as certified by Care Certification Private Limited.

Our Company is also registered as **ISO 22000:2005** for food Safety Management with HACCP as certified by Care Certification Private Limited.

SAOL is also awarded with Certification of compliance for good Manufacturing Practice (**GMP**) **System** as per the norms laid down by World Health Organization and certified by UK Certification & Inspection Ltd.

Our company is also got the status of “**Star Export House**” granted by Joint Director General of Foreign Trade, Bhopal in accordance with the provisions of the foreign Trade policy, 2009-14.

Ranked at 345<sup>th</sup> by “**ET TOP 500 Companies**” out of 500 companies in 2011.

Your Company has been ranked at 263<sup>rd</sup> under “**INC India 500 Companies**”.

By the Star of the Industry Group and 5<sup>th</sup> Indira international innovation summit the Sanwaria honored with the “**Best in class Operational Excellence Award**”.

Ranked by “*Plimsoll Global Analysis, United Kingdom*” at 426<sup>th</sup> largest Company in the Consumer Food Manufacturers industry amongst the top 500 Food Manufacturers and also listed as a top performer at 363<sup>rd</sup> most profitable food manufacturing company.

### STEPPED DOWN AREA

Your Company continues to provide the superlative services in its product portfolio-both in number and performance. The Company has launched:

**BASMATI RICE**, We are also focusing on new brand of Sanwaria i.e., Basmati Rice, the plant is set – up in Mandideep and the production is also started. We will be sure that as other brand products, this will also ascend the company's profitability and goodwill.

**SALT**, Your Company has launched a new differentiated product in the year of 12-13 in addition to existing portfolio. Additionally, the company is focused on these brand products also:

**WHOLE WHEAT CHAKKI FRESH ATTA** under the brand “**SANWARIA SETH**” in a consumer pack of 1, 2, 5 & 10 Kg. Currently it has been launched in M. P., CG. Going forward it shall be launched in some other parts of central region and in North & South (Andhra Pradesh, Tamil Nadu) region also. We are going for fortification of this Chakki fresh Atta which is enriched with more protein and nutrient that meet the WHO standards.

**SOYA NUGGETS /CHUNKS – “SANWARIA PRODIET”**, Leveraging new capabilities to open up new growth vectors new products like “Prodiet” launched which is currently being outsourced. Consumption opportunities were successfully tapped and widened through Introduction of (Soya Nuggets /Chunks), In the upcoming year the Soya Nuggets production plant is also on the radar.

“**SANWARIA**” brand, promoted during the year in addition to “**NARMADA**” hold promise and hope for the Company business. Import of commodities like Soya Crude Degummed Oil, Crude Palm Oil, Coal, RBD Palmolien and sunflower Oil etc. are already placed to strengthen the business.

The Company is gaining momentum for Supply of “**SULABH**” RBD Palmolien domestically with a view of growing demand in the upcoming years. Fortified Soya refined Oil, Blended edible oil, Refined Bleached Deodorized Palm oilien, High protein soya meal, Full fated and Defatted Soya flour are the new avenues to capture market.

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## SANWARIA FMCG Company

### **FUTURE PROSPECTS**

We are expanding our own marketing network into various regions. The core business and will work with strategic partnerships or alliances in the various divisions to create more value for the shareholders with a vision 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 through this company will increase its branded sale to 40% from 15% of current level.

### **On the other hand Future products are:-**

**SOYA MILK POWDER:** Our Company is taking initiative to launch the new product Soya Milk Powder. Your Company focused attention on building new capabilities and a robust pipeline of innovation. This product is specially launching for the health care of the consumers.

Also the Commercial Production of new product i.e., Soya flour and soya chunk (Bari) is expected to be produce in the month of new season i.e., October onwards during this year.

Some value added Soya based products Like Soya Flour, Soya Tofu and Potato based –Like Chips, Flakes, and Vanaspati, Vegetable oil refinery are in pipeline.

### **SUBSIDIARY COMPANY**

There has been no business activity during the year by Sanwaria Singapore Pte. Limited (Singapore), a subsidiary of your Company. The Reports of directors and Statement of Accounts of Indian Subsidiary Shrinathji Solvex Limited together with the Auditors report thereon are attached.

### **DIRECTORS**

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

Mrs. Geeta Devi Agrawal is appointed as a Director cum Chairperson of the company w.e.f. 14.05.2013 and Late Shri Ram Narayan Agrawal, Chairman of the Company was ceased from the directorship of the company due to his demise on 10.04.2013

### **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 31<sup>st</sup>, 2013 and the profit and loss for the year ended March 31<sup>st</sup>, 2013.

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**

Your Company has not accepted any deposits under section 58A of the Companies Act, 1956 and hence no amount of principal and interest was outstanding as on the date of this Annual report.

### **FIANCE & INSURANCE**

The Company's relationships with its consortium and other bankers continued to be cordial during the year.

Company would like to thanks its Bankers for their support. The assets of the Company are adequately insured against all