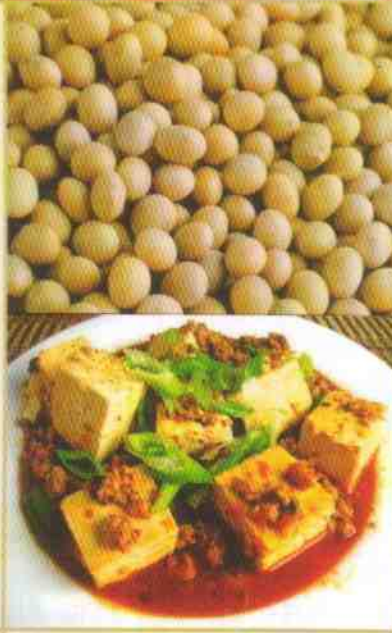




SANWARIA GROUP

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 routs 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 Madya 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



Report on Corporate Governance forms part of this Annual Report. We are committed to adhere to the Code of Corporate Governance as it means adoption of best business practices aimed at growth of the Company coupled with bringing benefits to Investors, Consumers, Creditors, Employees and Society at a large.

Management Discussion and Analysis

A detailed review of operational performance and future outlook of the Company is given under the "Management Discussion and Analysis Report" which forms part of this Annual Report.

Listing

The Equity Shares of the Company are listed on The Bombay Stock Exchange, Mumbai (BSE) and The National Stock Exchange, Mumbai (NSE).

The Company is exploring the idea of having an overseas listing also.

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.

Acknowledgements

Your Directors place on record their deep sense of gratitude and appreciation for the continued support extended to the Company by Investors, Customers, Business Associates, Bankers, Vendors and Financial Institutions. Your Directors also wish to place on record their gratitude to the dedication and significant contribution made by the employees at all levels through their hard work and devotion.

The Directors also thank the various Government, Semi Government and Regulatory Authorities and last but not the least the Shareholders for their patronage, support and faith in the company. The Board looks forward to their continued support and whole hearted cooperation for realizing the goals in the years ahead.

Date : 23/08/2010

Place : BHOPAL

For and on behalf of the Board
Ram Narayan Agrawal
(CHAIRMAN)

Information required under the Companies (Disclosure of Particulars in the Report of Directors) Rules, 1988 and forming part of director's report for the year ended 31st March, 2010

A. CONSERVATION OF ENERGY:

- a) Your company continues to give higher priorities to the conservation of energy on ongoing basis. Energy conservation measures taken:
- i) Various energy conservation techniques were initiated at large scale and successfully implemented.
 - ii) Maintained / controlled the mixing of Fuel & Air ratio resulting into maximization of boiler efficiency.
 - iii) Online monitoring of Boiler Efficiency resulting into improvement of Efficiency by 2%.
 - iv) Installation of higher efficiency DG sets for uninterrupted power supply
 - v) Power generation through Wind Turbine Generators
 - vi) Utilization of UPS and high voltage control stabilizers
- b) The required date with regard to conservation of energy are furnished below:

Power and Fuel Consumption

| I. ELECTRICITY | Current Year | Previous Year |
|--|--------------|---------------|
| a) Purchased Unit (KWH) | 10307713 | 11162116 |
| Total amount | 36215276 | 50709322 |
| Average Rate/ Rs. Per Unit | 3.51 | 4.52 |
| b) Own Generation | 86494 | 145813 |
| Total amount | 966694 | 2798199 |
| Average Rate/ Rs. Per Unit | 11.18 | 19.19 |
| 2. COAL 'C' & 'D' Grade for steam generation | | |
| Quantity (MT) | 25435.13 | 25172.27 |
| Total Cost (Rs.) | 80472310 | 87207042 |
| Average Cost per MT (Rs.) | 3163.82 | 3464.41 |
| 3. FURNACE OIL | --- | --- |
| 4. OTHERS /INTERNAL GENERATIONS | --- | --- |

Consumption per MT of production

| | Cost per MT of Production | |
|------------------------------|---------------------------|--------|
| Electricity | 162.64 | 194.12 |
| Furnance Oil Litre (KWH)/ MT | --- | --- |
| Coal (Specify) MT | 361.39 | 333.84 |
| Others (Specify) MT | --- | --- |

Benefits of above measures

- i) Reduction in consumption of electrical power
- ii) Reduction in recourse consumption
- iii) Increase in equipment utilization
- iv) Optimal load management
- v) Reduction of Green House Gases through wind power generation



Also company has been able to achieve the least possible consumption of energy in comparison to the industry average.

| Contents | Company's Consumption | Industry's Consumption |
|-------------------------|-----------------------|------------------------|
| Electricity Consumption | 38.23 units* | 50 units* |
| Coal Consumption | 86 kg* | 150 kg* |

*Source: Observed from the cases of most of the plants in the area.

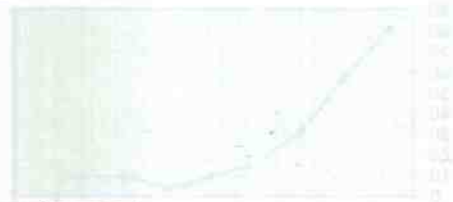
B. TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT:

1. Specific areas in which Technology absorption and R&D carried out by the company:

- Installed ERP Software
- Various improvements were made by the quality circle teams with the aim of achieving a better cost of manufacturing.
- Up gradation of plants for the improvement in quality of oil.
- Promotion of its Brands through Radio channels, Advertisement in T.V. channels, Cineplex etc. to expand market share and to increase consumption of the products.
- Reduction of emission of pollutants from Chimney by installing pollution control equipments.
- Process of getting certified by ISO-14001 & 22000.

2. Benefits Derived as a result of above :

- Product Improvement
- Cost Reduction
- Product development
- Enhanced capacity utilization.
- Significantly reduce the emission of pollutants into environment.
- The quality of company's products has improved and thereby enjoying significant position in the industry.



3. Future plan of action:

The Company is looking further to develop research oriented highly performing cost effective and eco friendly products to cater to the fast changing fashion and preference and to meet the requirement of customers.

FOREIGN EXCHANGE EARNINGS AND OUT GO:

Foreign Exchange earned and used: (In US \$)

| Contents | 2010 | 2009 |
|-----------------------------|-------------------|-------------------|
| Foreign exchange earned | US\$ 4.23 Million | US\$ 5.23 Million |
| Foreign exchange used | ---- | ---- |
| Net Foreign exchange earned | US\$ 4.23 Million | US\$ 5.23 Million |

Place: Bhopal
Date: 23/08/2010

For and on behalf of the Board
Ram Narayan Agrawal
Chairman



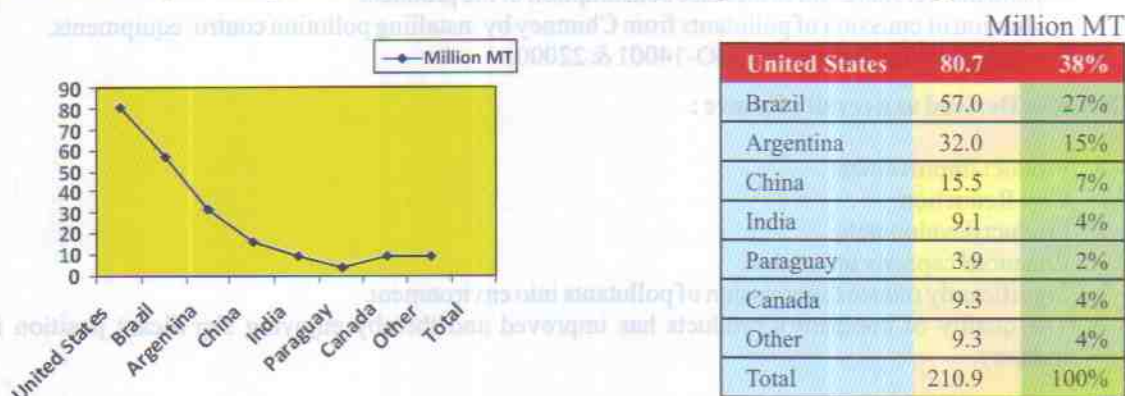
Management Discussion And Analysis Report

Soybean meal is high in protein and energy and is one of the most commonly used protein supplements in North America. It is a palatable feedstuff and may be used as the major protein supplement in rations for dairy cattle

Soy provides important proteins and oils that can be used for a wide range of products such as food, animal feed, hygienic articles and numerous industrial applications. Ice creams and body lotion are among the products made from soy-based ingredients. Because of its high protein content, 85 percent of worldwide soy production is for animal feed, especially for pig and poultry farming. Likewise, Soybean oil is also a major product of bean, used for edible purpose. Developing countries are the major consumers of soybean oil.

As a result of increasing meat consumption worldwide, the demand for soy and hence its production has doubled to nearly 210 tons over the last 20 years. This trend is expected to continue in the future

The chart below depicts the position of India in world's soybean production during 2009



Source: SOYSTATS

Sanwaria Agro Oils Ltd is one of the India's leading solvent extractor and manufacturer of soy refined oil & de oiled cake. SAOL is an integrated agro food processor engaged in the business of manufacturing soy oil and soy cake and has been present in the sector since 1991. In addition to normal soy meal, soy also produces specialized high protein soybean meal. SAOL export about 65% of production of soy meal.

Company has various tie up arrangements with retail chains/malls like Hariyali Kisan Bazar, Vishal Retail Ltd., Reliance Fresh Ltd., Pantaloon India (Big Bazar), ITC Chaupals etc. It also has C&F agents and distributors in its marketing network across India. Company has forward integration into manufacturing and marketing of value added soya based products like 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. It is also undergoing promotion of its Brands through Radio channels, Advertisement in T.V. channels, Cineplex etc. to expand market share and to increase consumption of the products.



Indian Soya Crop Scenario

India enjoys an added advantage of producing entirely Non-GMO crops, with higher protein and nutritional values which strengthens its hold in the world markets, especially in food segment. Keeping in view the steady rate of GDP growth and Income growth expected in India, it is estimated that the domestic demand for edible oil in India, will also consequently rise. According to the industry estimates, the consumption of edible oil will increase from the current level of 15 million MT to over 20 million MT by the year 2015.

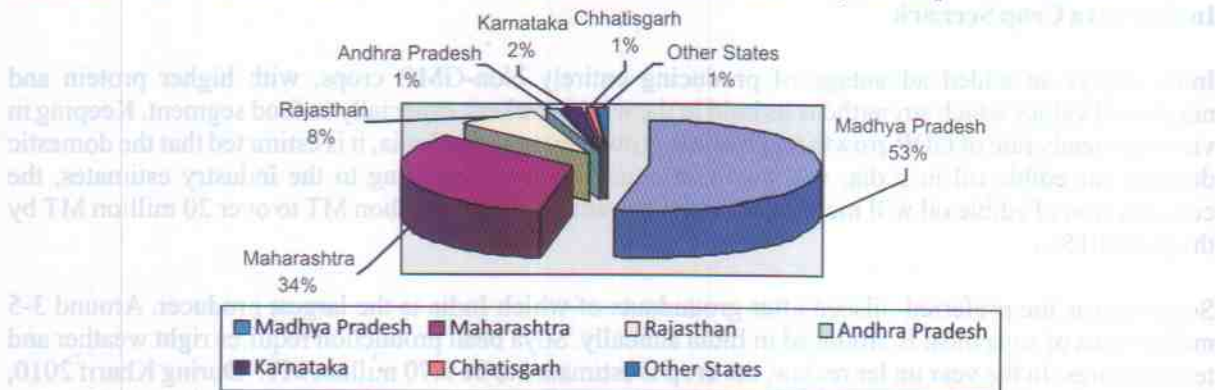
Soya bean is the preferred oilseed after groundnuts of which India is the largest producer. Around 3-5 million tons of soya meal is produced in India annually. Soya bean production requires right weather and temperatures. In the year under review, the crop is estimated to be 9.70 million MT. During Kharif 2010, there was about 9.2, 7.15, 6.9, 2.5 and 2.3 percent area increase in soyabean area in Jabalpur, Gwalior, Bhopal, Indore, Sagar divisions, respectively as compared to kharif 2009. During the first six months of current soya season, Indian Soya Bean Meal Export are down by 43% at 1.47 million MT, as against this is 2.58 million MT last year with low crushing in first half, carry forward bean stocks for second half are high. This will result in better bean availability in the remaining period of the year. We believe that the Indian Soybean prices should align to the international trading coming months and giving good crushing opportunity.

Quick Facts about the Indian Soybean Industry

- A fastest growing crop, 5.8% annual growth rate for last ten years, replacing crops like Maize, Cotton & Pulses.
- Average annual production has increased by 7.7% in last 10 Yrs.
- The growth in soy cultivation area is largely attributed to high return due to rise in global demand
- Presently about 9 million ha. is under Soy cultivation producing about 9 mn MT (3-4% of global production)
- India is the only exclusive Non-GM soy producing country in the world.
- Two main products of Soy in India – Soy Meal & Soy Oil (82% and 18% respectively)
- 70% of DOC is exported, 30% used in poultry sector domestically.
- Soy oil produced is consumed domestically.
- India crushes the entire soybean it produces.
- India imports Soy oil (about 2 million tons annually) from Latin America.



The chart below depicts the position of Madhya Pradesh in India's soyabean production 2009



Soyabean meal is considered a premium product because of its high digestibility, high energy content and consistency. Properly processed de-hulled soyabean meal is an excellent source of protein and is used extensively in feed for swine, beef and dairy cattle, poultry, and aquaculture. The demand of soya meal is growing.

Source: SOPA

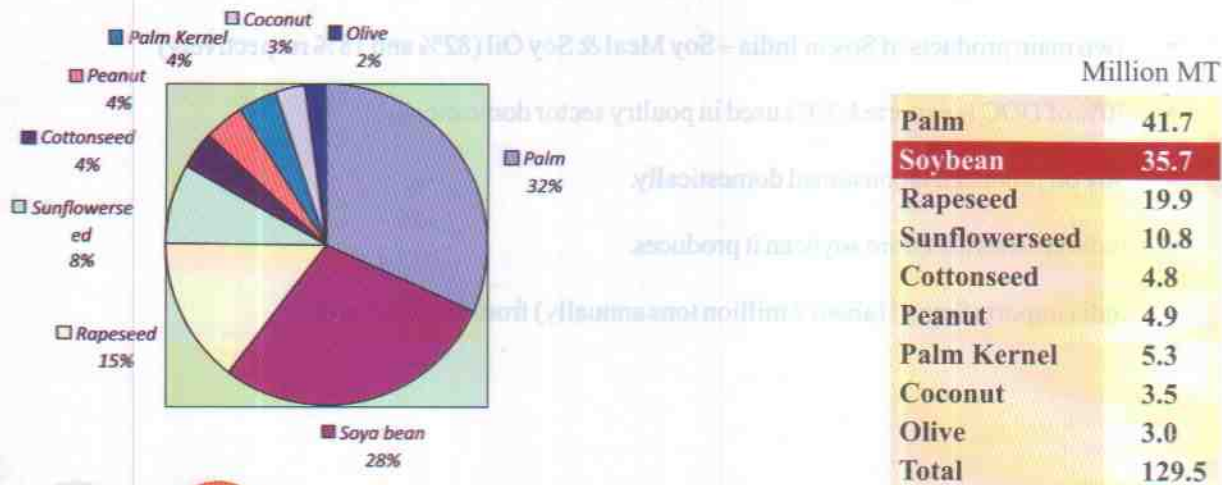
Industry Structure and Development

India is one of the largest exporters of soy meal and most of the produce is exported to the south east Asian nations. Indian exports have almost doubled since 2000-01

India enjoys an added advantage of producing entirely Non-GMO crops, with higher protein and nutritional values, which strengthens its hold in the world markets, However, India is one of the largest importers of crude soy oil and other edible oils due to domestic shortage. The soy meal exports have sustained at an average of 4 million tonnes in the last three years, which is one of the major factor for bullish trend in soybean prices in recent years.

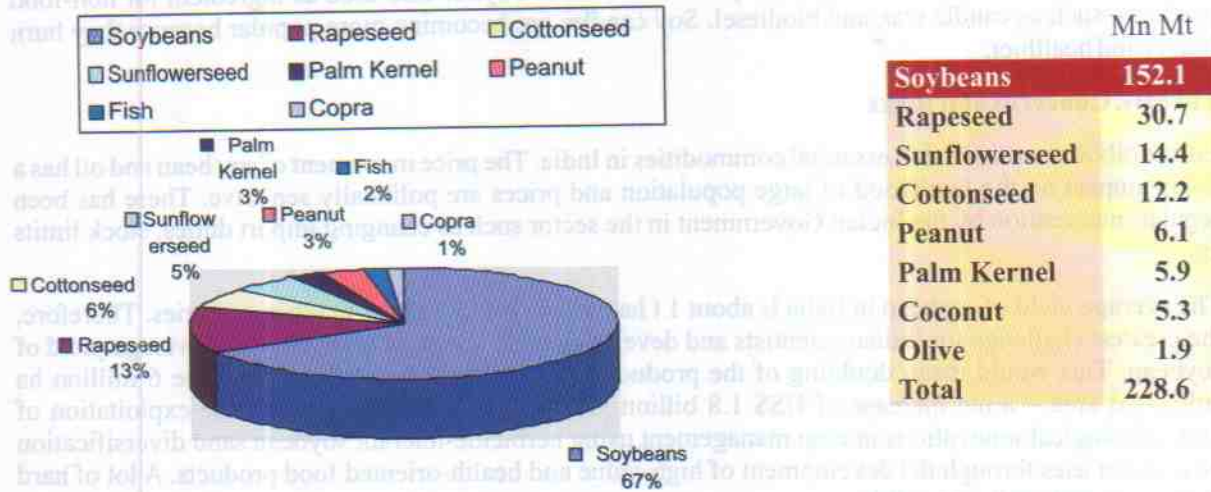
India is one of the largest importers of edible oils and it annually imports about 5-6 million tonnes of edible oils. Crude soy oil is second largest imported edible oil after crude palm oil and India imports about 1-2 million tonnes of crude soy oil annually.

The chart below depicts the Edible oil consumption in world during 2009



Over the past years, there has been an increasing interest in the antioxidant effects of soya and in particular the health benefits of isoflavones. Soya is very important for vegetarians and vegans. Soya has high protein content and soya is rich in vitamins, minerals and fibers. The easiest way to consume soya is by drinking soya milk.

The chart below depicts the Protein Meal consumption in world during 2009



The WWF recognizes that because of its physiological properties soy has become both a basic material for many product and an important feedstuff. Soya represents a vital source of income for the producer countries.

Health and Benefits of Soya

Soya: Health Benefits

Soy Protein has number of health benefits such as cancer prevention, cholesterol lowering, combating osteoporosis and menopause regulation. Scientific studies for past 30 years suggest that consumption of soy protein selectively decreases total cholesterol levels. Of 38 human clinical studies conducted, 34 found soy protein to be effecting in lowering blood cholesterol. After reviewing various research publications all over the world, the U.S. Food and Drug Administration on October 26, 1999 issued a health claim to soy protein. The claim says that "consumption of 25 grams of soy protein a day as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease". Consumption of just 50 grams of products every day will not only give you good nutrition but also improve your health.

Consuming a soy based diet may have several advantages for diabetics. Soy foods have a low glycemic index, which helps promote blood glucose control. Supplemental soy fiber may also help by slowing absorption of sugars. In kidney disease, a soy based diet may be preferable to the traditional low protein diet for decreasing renal damage. Soy provides high quality protein, without stimulating hyperfiltration and proteinuria. It may also help prevent kidney damage by lowering serum LDL cholesterol levels.

The protein present in soyabean is the most balanced protein for human consumption. It contains all the nine essential amino acids required for the body from the dietary source. This protein is as good as the



protein derived from animal sources. In Japan people consume 50-80 gms of soyabean daily in their diet in various forms, and the average life span of Japanese is higher than any other country. This proves its nutritional quality.

Soya: versatile product

Soybeans are an amazingly versatile crop; it can be used as whole soya beans, Soya flour, soya sprouts, or processed as soya milk, tofu, tempeh, soya sauce or miso. Soya is also used as ingredient for non-food products, such as candle wax and biodiesel. Soy candles are becoming more popular because they burn longer and healthier.

Threats, Concerns and Risks

Edible oils are considered as essential commodities in India. The price movement of soy bean and oil has a major impact on the livelihood of large population and prices are politically sensitive. There has been regular intervention by the Indian Government in the sector such as changing import duties, stock limits etc.

The average yield of soybean in India is about 1 t ha⁻¹, with 2.3-2.8 t ha⁻¹ in other countries. Therefore, the greatest challenge for Indian scientists and development programs is to increase the average yield of soybean. This would mean doubling of the production to about million t from the same 6 million ha cultivated area – a net increase of US\$ 1.8 billion yr⁻¹. The other challenges include exploitation of biotechnological innovations in crop management using herbicide-tolerant soybean and diversification of soybean uses through the development of high-value and health-oriented food products. A lot of hard work is needed, but it is possible.

The Indian contribution to the global Soya is less than 4% and with record global crop 255 million MT which may lower the international prices of SBM and Oil. The domestic prices of the seed, meal and oil are impacted by the international prices. Therefore, maintaining the price parity of our products may be a challenging task. Further, the Macroeconomic and Global issues of inflation, and recession and currency exchange rates may have an effect on the pricing and demand.

Government Policies: There is a crisis in the availability of Good Quality Soya bean as the Government is not allowing import of Hybrid Seeds. Poor quality seeds result in low yield and the Indian Average yield is only 9-10 Quintals/acre as compared to the World Average of 35 Quintals/acre. To overcome this situation the Industry as a whole is lobbying for allowing import of hybrid seeds from Argentina and Brazil. As a result it is expected that the Government will allow these imports along the same lines as has been done with respect to import of cotton seeds and the Company has stated Direct Procurement of Raw Materials through "Choupal System".

Heavy Transport Charges: Another major concern, which the entire Edible Oil Industry in M.P. is facing, is that of High Transport Cost being borne by exporters for transport from land logged States like ours to the Port Cities. This is due the fact that proper Rail infrastructure is not there, the present one being inadequate and inefficiently handled. The inland container depots have to return empty from the port cities to our state and hence the cost of the return trip is also a burden on the exporters. All this in turn inflates the Export Cost and incapacitates us from floating competitive prices in the World Market. To counter this problem the Government should give Transport Subsidy on exports of DOC from the land-logged states like ours. This subsidy should be brought in line with that being allowed to the Sugar industry. Alternatively a blanket subsidy can also be given to the exporters of DOC for countering not only the transport cost but also the other concern areas.



Higher Interest Rates: High rate of interest is another factor which is a major stress on the industry. The rates of interest, which the Indian exporter is bearing, are way above the International Market Rates. This again hinders the Indian exporter from coming up with competitive prices. To tackle this issue the Company is trying, on the strength of its sound Financial track record, to obtain finance from the international markets at rates quite lower than the rate of interest applicable in India.

Higher Electricity Charges- The rates of electricity charges are also high.

Company Scenario

The production units of the Company are now utilizing 54% of its capacity, due to strong procurement capability, having innovative model of Direct Procurement Center (DPC) and having more than 70 such DPCs, promoters involvement in the procurement, quick decision making, strong relationship with the farmer in the area, goodwill for timely payment etc., makes the Company to earn additional profits and which is shown in terms of better margins. All the production units of the Company are located in Madhya Pradesh, which is one of the Highest Producing belt in India, in terms of total crop size and area under cultivation. Thus these solvent extraction plants of the Company have easy accessibility to raw materials.

The company is focusing on its brand promotion. It has three brands "NARMADA", "SULABH", and "SANWARIA" in its product basket with the salable consumer units (SKUs) of ½, 1, 2, 5 & 15 litre(s)/kg(s). Currently the company has presence in various state like M.P., Chhattigarh, U.P., Maharashtra, Haryana, Delhi, Himachal Pradesh, Punjab, Uttarakhand, and Paschim Bengal.

Company has marketing arrangements with various retails like Hariyali Kissan Bazar (DCM), Relinace Fresh, Pantaloon (Big Bazar), and ITC Choupals etc. to promote its brand "NARMADA". On other hand it has various C&FA and distributors also.

Company is getting long-term marketing and branding strategy in place and in process of appointing a firm from repute for the same to enable it to start campaign for branding at the earliest. Within 2-3 years your company will emerge with national presence through various products like soy flour, nuggets besides soy-refined oil. litre(s)/kg(s). Currently the company has presence in various states like M.P., Chhattigarh, U.P., Maharashtra, Haryana, Delhi, Himachal Pradesh, Punjab, Uttarakhand, and Paschim Bengal.

Company has tie up arrangements with various retails like Vishal Retail, Relinace Fresh, Pantaloon (Big Bazar), and ITC Choupals etc. to promote its brand "NARMADA". On other hand it has various C&FA and distributors also.

Company is getting long-term marketing and branding strategy in place and in process of appointing a firm of repute for the same to enable it to start campaign for branding at the earliest. Within 2-3 years your company will emerge with national presence through various products like soy flour, nuggets besides soy-refined oil.

Business Strategy

- * Entering into Solar Power segment
- * Strengthening its presence in international market
- * Entering into Basmati Rice production
- * Strengthening Distribution network



The Company has followed a successful strategy whereby the special emphasis is laid upon the retail packs, packaging and quality. The Company is further looking up to expansion to its retail products by the inclusion of Mustard Oil, Cotton Seed Oil, Soya Flour and other value added soya based products.

Segment Wise Performance – Wind Power

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 a revenue of Rs 406.33 lakhs and Profit Before Tax (PBT) of Rs 236.11 lakhs, for the year ended on 31st March, 2010.

Financial performance

Financial performance of the company is covered in the Directors' Report.

Internal Control Systems and their adequacy

The Internal control system has been so designed, so as to provide reasonable assurance in respect of recording and providing relevant and reliable financial and operational information. For this purpose, auditors have been appointed to conduct internal audit. The observations of the internal auditor are reported to the Audit Committee on quarterly basis. The Audit Committee reviews the adequacy and effectiveness of internal control system and suggests improvement in it from time to time.

Human resource / Industrial Relations

Within the given mandate, your Company crafted several welfare measures for its employees. These measures primarily aim at retaining and nurturing talent. Your Company focuses on maintaining competitive competence of its employees and invests extensively to augment human resource capacity and quality through tailored training and development programmes. Appropriate performance appraisal system is in place for creating better accountability and demarcation of responsibilities among employees.

Cautionary Statement

These discussions are forward looking within the meaning of the applicable laws and regulations. Actual performance may deviate from the explicit or implicit expectations. Important factors that could make a difference to the Company's operations include, economic conditions, demand and supply, price situation, demand/ supply and price conditions in the domestic and international markets government rules and regulations and other incidental factors. Moreover, though the data and information provided in the statement are based on sources believed to be reliable, the Company is not responsible for its accuracy and comprehensiveness.

Corporate Social Responsibility

The company is extending helping hand towards social and economic development of the villages and the communities located close to its operations and also providing assistance to improving their quality of life. Company is going to enter a MOU with State Government for Medical College cum Hospital consisting 300 beds.



Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis, while ensuring fairness to every stakeholder - our customers, employees, investors, vendor-partners, the governments of the countries in which we operate, and the community. Thus, corporate governance is a reflection of our culture, policies, our relationship with stakeholders and our commitment to values.

Over the years, SAOL has shown a high level of commitment towards effective Corporate Governance and has maintained high business ethics. The Company believes that its operations and actions must serve the underlying goal of enhancing the interests of its stakeholders over a sustained period of time in a socially responsible way.

Your Company ensures that timely and accurate disclosure is made on all material regarding the corporation including the financial situation, performance, ownership and governance of the company. The Company believes that a strong and independent Board and transparent accounting policies will preserve the stakeholder value and enhance their trust and confidence.

Your Board believes that Corporate Governance is a powerful medium of sub-serving the long-term interests of its stakeholders for the attainment of transparency, accountability and equity in all facets of its operations by enhancing and sustaining its corporate value through growth and innovation

2. BOARD OF DIRECTORS

2.1 Composition:

The Board of Directors of the Company consists of an optimum combination of Executive, Non-Executive and Independent Directors, to ensure the independent functioning of the Board and to comply with the requirements of Clause 49. The present strength of the Board is 12 Directors of which 4 are Executive Directors, 2 are Non-Executive Directors and 6 are Non- Executive Independent Directors. The Directors bring in wide range of expertise and experience to the Board, facilitating proficient and unbiased direction and control to the Company.

The Board Meetings are generally scheduled well in advance and the notice of each Board Meeting is given in writing to each Director. The information required as per Corporate Governance norms of the Listing Agreement is made available to the Board. The Agenda and Board notes for consideration of the Board are circulated well in advance with the notice of meeting so that all the Directors can actively participate in the extensive and fruitful deliberations on various agenda items put before the Board for discussion. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman. The board periodically reviews compliance of all laws applicable to the Company.

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49 (IV) (B)) across all the Companies in which they are Directors. All the Directors have made the requisite disclosures regarding Committee positions held by them in other Companies. The Composition of the Board of Directors, Dates of Board Meetings, Attendance in Board Meetings and the no. of other Board Committees in which they are Chairman/ Member are as under:

| Sl. No. | Name of Director | Chairman/Member of Committees | Date of Birth | Attendance in Board Meetings | Other Board Committees |
|---------|------------------|-------------------------------|---------------|------------------------------|------------------------|
| 1 | Mr. S. S. Chavan | Chairman | 1948 | 100% | None |
| 2 | Mr. S. S. Chavan | Member | 1948 | 100% | None |
| 3 | Mr. S. S. Chavan | Member | 1948 | 100% | None |
| 4 | Mr. S. S. Chavan | Member | 1948 | 100% | None |
| 5 | Mr. S. S. Chavan | Member | 1948 | 100% | None |
| 6 | Mr. S. S. Chavan | Member | 1948 | 100% | None |



| S. NO. | NAME OF THE DIRECTORS | CATEGORY |
|--------|-----------------------------------|---------------------------|
| 1. | Mr. Ram Narayan Agrawal, Chairman | Non-Executive |
| 2. | Mr. Satish Agrawal | Executive |
| 3. | Mr. Ashok Agrawal | Executive |
| 4. | Mr. Gulab Chand Agrawal | Executive |
| 5. | Mr. Anil Agrawal | Executive |
| 6. | Mr. Rajul Agrawal | Non-Executive |
| 7. | Mr. Hari Krishan Agrawal | Non-Executive Independent |
| 8. | Mr. Shyam Babu Agrawal | Non-Executive Independent |
| 9. | Mr. Hans Kumar Verma | Non-Executive Independent |
| 10. | Mr. Santosh Kumar Tiwari | Non-Executive Independent |
| 11. | Mr. Surendra Kumar Jain | Non-Executive Independent |
| 12. | Mr. Kesri Singh Chauhan | Non-Executive Independent |

The Board is primarily responsible for the overall direction of the Company's activities. All the Directors have a good understanding of important business aspects, both generic and specific to Soya Oil Extraction and export of Deoiled- Oiled Cakes and also of the other avenues, which the Company is entering.

2.2 Meeting and attendance record of each director:

The Board met Twenty Eight times on the following dates during the financial year 2009-10 and the gap between any two Meetings did not exceed Four Months as Mandated in clause 49:

| | | | | |
|-----------------|-----------------|------------------|-----------------|-----------------|
| (1) 04.04.2009 | (2) 15.04.2009 | (3) 07.05.2009 | (4) 23.05.2009 | (5) 05.06.2009 |
| (6) 23.06.2009 | (7) 04.07.2009 | (8) 17.07.2009 | (9) 25.07.2009 | (10) 29.07.2009 |
| (11) 31.07.2009 | (12) 18.08.2009 | (13) 01.09.2009 | (14) 15.09.2009 | (15) 12.10.2009 |
| (16) 27.10.2009 | (17) 10.11.2009 | (18) 24.11.2009 | (19) 01.12.2009 | (20) 14.12.2009 |
| (21) 16.12.2009 | (22) 05.01.2010 | (23) 15.01.2010 | (24) 04.02.2010 | (25) 15.02.2010 |
| (26) 25.02.2010 | (27) 02.03.2010 | (28) 23.03.2010. | | |

Attendance record of directors at the Board Meetings during the year ended on 31st March, 2010 and at the last AGM is as under:-

| Name of the Director | No. of Board Meetings held during the year | No. of Board Meetings attended | Whether attended last AGM | No. of Other Directorships (excluding Foreign & Pvt. Companies) | No. of Committee Memberships (including SAOL Memberships) | |
|--------------------------|--|--------------------------------|---------------------------|---|---|--------|
| | | | | | Chairman | Member |
| Mr. Ram Narayan Agrawal | 28 | 28 | Yes | 5 | .... | .... |
| Mr. Satish Agrawal | 28 | 28 | Yes | 4 |  | .... |
| Mr. Ashok Agrawal | 28 | 28 | Yes | 5 | .... | .... |
| Mr. Gulab Chand Agrawal | 28 | 28 | Yes | 5 | .... | .... |
| Mr. Anil Agrawal | 28 | 28 | Yes | 6 | 1 | .... |
| Mr. Rajul Agrawal | 28 | 26* | Yes |  | .... | 1 |
| Mr. Hari Krishan Agrawal | 28 | 12* | Yes |  | .... | 1 |
| Mr. Shyam Babu Agrawal | 28 | 12* | Yes |  | .... | 2 |
| Mr. Surendra Kumar Jain | 28 | 11* | Yes |  | .... | .... |
| Mr. Santosh Kumar Tiwari | 28 | 13* | Yes | | 2 | .... |
| Mr. Kesri Singh Chauhan | 28 | 12* | Yes | | 1 | 2 |
| Mr. Hans Kumar Verma | 28 | 12* | Yes |  | .... | 1 |

*Leave of absence was sought and granted for the Meetings not attended.



3. BOARD COMMITTEES

3.1 Audit Committee

The Company has a Qualified and Independent Audit Committee. Mr. Santosh Kumar Tiwari is the Chairman of the Audit Committee. The Other Members of the Audit Committee are Mr. Kesri Singh Chauhan and Mr. Hans Kumar Verma. The Company Secretary of the Company acts as the Secretary of the Committee.

The primary objective of the Audit Committee is to monitor and effectively supervise and to keep close vigil and oversight on the Company's financial reporting process with a view to provide accurate, timely and adequate disclosures and integrity and quality of financial reporting.

Executives of the Finance Department, Secretarial Department, Head of Internal Audit and Representatives of Statutory Auditors are invited to attend the Audit Committee Meetings.

The Board of Directors as under has specified Powers/ Terms of Reference of the Audit Committee:

A. Powers of Audit Committee:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal or other professional advise.
4. To secure attendance of outsiders with relevant experience/expertise, if it considers necessary.

B. Role of Audit Committee:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report.
 - h) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
6. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
7. Discussion with internal auditors any significant findings and follow up there on.



8. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.

Attendance of each member of the Audit Committee meetings held during the year:

| Name of Directors | Position held in the Committee | No. of meetings attended |
|----------------------|--------------------------------|--------------------------|
| Santosh Kumar Tiwari | Chairman | 4 |
| Kesri Singh Chauhan | Member | 4 |
| Hans Kumar Verma | Member | 4 |

During the Financial Year 2009-2010, 4 Committee meetings were held as against the minimum requirements of 4 meeting. The details of the meetings are as under:

| Sr. No | Date of the Meeting | Committee Strength | No. of Members Present |
|--------|---------------------|--------------------|------------------------|
| 1. | 19.05.2009 | 3 | 3 |
| 2. | 04.08.2009 | 3 | 3 |
| 3. | 03.11.2009 | 3 | 3 |
| 4. | 29.01.2010 | 3 | 3 |

3.2 Investors' Grievance Committee

A) Terms of reference

The Committee meets at least once in a Month and deals with various matters relating to:

- Transfer/ transmission/ transposition of shares;
- Issue of share certificates for lost, sub - divided, consolidated, rematerialized, defaced, etc;
- Consolidation/ Splitting of folios;
- Review of shares dematerialized and all other related matters;
- Investors' grievances and Redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agents of the Company – Karvy Computer share Private Limited, Hyderabad, attend all grievances/ correspondences expeditiously of the shareholders and investors, received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies, etc., usually a reply is sent within 15 days of receipt of letter, except in the cases that are constrained by dispute or legal impediment.

During the year the Committee met 12 times on the following dates:

- | | | | |
|----------------|-----------------|-----------------|-----------------|
| (1) 09.04.2009 | (2) 14.05.2009 | (3) 11.06.2009 | (4) 29.07.2009 |
| (5) 21.08.2009 | (6) 18.09.2009 | (7) 21.10.2009 | (8) 17.11.2009 |
| (9) 16.12.2009 | (10) 18.01.2010 | (11) 16.02.2010 | (12) 23.03.2010 |



B) The Composition and attendance of the Committee is as under

| Name of Directors | Position held in the Committee | No. of meetings attended |
|----------------------|--------------------------------|--------------------------|
| Kesri Singh Chauhan | Chairman | 12 |
| Shyam Babu Agrawal | Member | 12 |
| Hari Krishan Agrawal | Member | 12 |

Ms Reena Gurbani, Company Secretary of the Company is the Compliance Officer for the said purpose.

3.3 Remuneration Committee

Terms of reference

The board terms of reference includes the followings:

- Determination of remuneration payable to the directors of the company.
- Planning for administration of employee stock option scheme of the company and matters incidental and ancillary thereto.

The Company has constituted a Remuneration Committee of the Board in compliance with SEBI Guidelines. The Remuneration Committee has been constituted to recommend/ review the remuneration of the Whole Time Directors based on their performance and defined assessment criteria. The remuneration policy of the Company is directed towards rewarding performance based on certain performance parameters, growth in business as well as profitability and also best practices prevailing in the industry.

The composition of the said Committee is as under:-

| Name of Directors | Position held in the Committee | No. of meetings attended |
|---|--------------------------------|--------------------------|
| Santosh Kumar Tiwari (Non- Executive Independent Director) | Chairman | 4 |
| Kesri Singh Chauhan (Non- Executive Independent Director) | Member | 4 |
| Shyam Babu Agrawal (Non- Executive Independent Director) | Member | 4 |

REMUNERATION POLICY

| Name of Directors | Designation | Commission/Salary Rs |
|---------------------|---------------------|----------------------|
| Ram Narayan Agrawal | Chairman | 25,00,000/- |
| Gulab Chand Agrawal | Whole Time Director | 60,00,000/- |
| Ashok Agrawal | Whole Time Director | 60,00,000/- |
| Anil Agrawal | Whole Time Director | 60,00,000/- |
| Satish Agrawal | Whole Time Director | 60,00,000/- |

4. GENERAL BODY MEETINGS

4.1 Annual General Meeting (AGM):

The details of last three Annual General Meetings of the company are as under: -

| Financial year | Venue | Date and Time | Special Resolutions Passed for |
|----------------|--|---|--|
| 2008-2009 | 19-30, Industrial Area, Kheda, Itarsi (M.P.) | 30 th September, 2009 at 9.00 A.M. | <ol style="list-style-type: none"> 1. Shifting of the Registered office of the Company from 19 -30, Industrial Area, Kheda, Itarsi to E-1/1, Arera Colony, Bhopal(M.P.) 2. Issue, create, offer or allot equity shares u/s 81(1A) of the Companies Act, 1956 in one or more private or public offerings. 3. Enhancement of remuneration to Shri Gulab Chand Agrawal, whole Time Director. 4. Enhancement of remuneration to Shri Satish Agrawal, whole Time Director. 5. Enhancement of remuneration to Shri Ashok Agrawal, whole Time Director. 6. Enhancement of remuneration to Shri Anil Agrawal, whole Time Director. |
| 2007-2008 | 19-30, Industrial Area, Kheda, Itarsi (M.P.) | 30 th August, 2008 at 9.00 A.M. | <ol style="list-style-type: none"> 1. Increasing Authorised Capital of the company. 2. Borrowing in excess of Paid-up share capital and free reserves of the Company. (Aggregate not to exceed Rs. 1000 crores) 3. Enhancement of remuneration to Shri Gulab Chand Agrawal, whole Time Director. 4. Enhancement of remuneration to Shri Satish Agrawal, whole Time Director. 5. Enhancement of remuneration to Shri Ashok Agrawal, whole Time Director. 6. Enhancement of remuneration to Shri Anil Agrawal, whole Time Director. |
| 2006-2007 | 19-30, Industrial Area, Kheda, Itarsi (M.P.) | 29 th September, 2007 at 9:00 A.M. | <ol style="list-style-type: none"> 1 Grand Board power to accept, on behalf of the Company, to create, issue and offer or allot equity shares in one or more private or public offerings and whether in domestic or any other international market(s) and whether by way of direct issue and otherwise. Issue of GDRs/FCCBs etc. |



4.2 Extra Ordinary General Meeting (EGM):

In addition to Annual General Meeting, the company holds General Meeting of Shareholders as and when need arise. Location & Time of Extra Ordinary General Meeting(s) held in the year under review is as under:

| Financial Year | Venue | Date & Time | Special Resolutions Passed for |
|----------------|------------------------------------|---|---|
| 2009 -2010 | E-1/1, Arera Colony, Bhopal (M.P.) | 24 th December, 2009 at 11.00 A.M. | Issue, create, offer or allot equity shares u/s 81(1A) of the Companies Act, 1956 in one or more private or public offerings. |

5. DISCLOSURES

During 2009-10, the company had no materially significant related party transactions, which is considered to have potential conflict with the interest of the Company at large.

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to the Capital Market during the last four years. The Stock Exchange, Securities Exchange Board of India (SEBI) or any other Statutory Authority, on any matter relating to the capital markets, has not imposed any penalties or strictures.

6. SECRETARIALAUDIT

A Qualified Chartered Accountant carried out a Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form plus the total number of dematerialized share held with NSDL and CDSL.

7. MEANS OF COMMUNICATION

| | |
|--|--|
| Half Yearly Report sent to each shareholders | No, as these reports of the Company are published in the newspapers and the results are also be placed on the Company's web site www.sanwariagroup.com and www.sanwariaagro.com |
| Quarterly Results: | - do - |
| E-Mail Id for Investors | Investor_compliant@sanwariaagro.com |
| Newspaper in which published | Free Press Journal, Mumbai, Financial Express, Mumbai, Economic Times (All Edition) |
| Any website where displayed | Yes, at www.bseindia.com , www.nseindia.com , www.sanwariagroup.com and www.sanwariaagro.com |
| Stock Code | On BSE – 519260 On NSE – SANWARIA |



8. MANAGEMENT DISCUSSION & ANALYSIS REPORT: -

The Management Discussion and Analysis Report forms a part of the Directors' Report.

9. GENERAL SHAREHOLDERS INFORMATION

9.1 Annual General Meeting:

| | | |
|-------|---|------------------------------------|
| Date | : | 30 th September, 2010 |
| Time | : | 11.00 AM |
| Venue | : | E-1/1, Arera Colony, Bhopal (M.P.) |

9.2 Financial Year:

April 1st, 2009 to March 31st 2010

9.3 Book Closure

26th September, 2010 to 30th September, 2010

9.4 Dividend Payment date:

Within seven working days from the date of Annual General Meeting of the Company.

9.5 Listing on Stock Exchanges:

The equity shares are at present listed at the following stock exchanges:-

| Name of the Stock Exchange | Stock Code |
|---|------------|
| 1. The Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400 001. | 519260 |
| 2. The National Stock Exchange of India Ltd Exchange Plaza, Bandra kurla Complex, Bandra East, Mumbai - 400051 | SANWARIA |

9.6 ISIN No.:

INE890C01046

9.7 Depository Connectivity:

NSDL and CDSL.

9.8 Stock Market Data:

Market Price Data – High / Low in each Month of the financial year 2009-2010 on the Bombay stock Exchange, Mumbai



| Month | High (Rs.) | Low (Rs.) |
|----------------|------------|-----------|
| April 2009 | 52.25 | 29.20 |
| May 2009 | 77.95 | 49.00 |
| June 2009 | 94.45 | 76.00 |
| July 2009 | 98.00 | 60.00 |
| August 2009 | 70.60 | 55.10 |
| September 2009 | 66.50 | 56.85 |
| October 2009 | 69.50 | 46.85 |
| November 2009 | 62.50 | 43.35 |
| December 2009 | 68.45 | 57.60 |
| January 2010 | 75.70 | 34.90 |
| February 2010 | 38.60 | 28.55 |
| March 2010 | 61.00 | 32.00 |

9.9 Stock performance in comparison to BSE SENSEX.

Source: www.bseindia.com

9.10 Registrar and Share Transfer Agents:

KARVY COMPUTERSHARE PRIVATE LIMITED

Karvy House, 46 Avenue -4, Street No. 4,

Banjara Hills, Hyderabad

9.11 Share Transfer System:

Share Transfer requests received in physical form are registered within the statutory time limit

Requests for dematerialization (demat) received from the Share holders are effected within statutory time limit

The Shareholders/Investor Grievance Committee takes care of the fact that all the transfers are processed within the Statutory Time Limit.

The applications for transfer, transmission and transposition of shares are received by the Company at its Registered Office or at the Office of its Registrars and Share Transfer Agents – KARVY COMPUTER SHARE PRIVATE LIMITED

Following is the procedure for transfer of physical share certificates:-

- i) Entry of share certificates in the computer on receipt thereof in the office.
- ii) Scrutiny of transfer deeds.
- iii) Tallying of transferor's signature with the specimen signature available with the Registrar and Share Transfer Agent.
- iv) Data entry of transfer deeds.
- v) Preparation of objection memos and notices in respect of un-transferred shares.
- vi) Generation of checklist for valid and invalid transfer deeds.

- vii) Correction of data in the computer system on the basis of changes marked in the checklist.
- viii) Recording of transfer of shares in the computer system.
- ix) Endorsement and signatures on the reverse side of share certificates.
- x) Generation of covering letters for the transferred share certificates and dispatch of transferred share certificates, objection memos and notices by registered post.

Following is the procedure for dematerialization of shares:-

- i) Entry of the share certificates and the dematerialization request form in the computer.
- ii) Scrutiny of the share certificates and the dematerialization request form in the computer.
- iii) Tallying of signature of the shareholder on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.
- iv) Data entry of transfer deeds.
- v) Generation of checklist.
- vi) Change of shares from physical to demat mode.
- vii) Send confirmation to NSDL AND CDSL.

9.12 Shareholding Pattern as on 31st March, 2010:

| Particulars | No. of Shares held | % of shareholding |
|--|--------------------|-------------------|
| Promoters | 121885804 | 70.04 |
| Financial Institutions, Banks and Mutual Funds | --- | --- |
| FII's/NRI's/OCBs | 424920 | 0.24 |
| Pvt. Corporate Bodies | 43919026 | 25.24 |
| Indian Public | 7736803 | 4.45 |
| Others(Trusts) | 58447 | 00.03 |
| Total | 174025000 | 100.00 |

9.13 Distribution of shareholding as on 31st March, 2010:

| S.No. | No. of equity Shares Held | No. of Shareholders | % to Total Shareholders | No. of Shares held | % of Shareholding |
|-------|---------------------------|---------------------|-------------------------|--------------------|-------------------|
| 1 | 1 - 5000 | 3186 | 87% | 2362356 | 1.36% |
| 2 | 5001 - 10000 | 239 | 8% | 1567532 | 0.90% |
| 3 | 10001 - 20000 | 48 | 2% | 693115 | 0.40% |
| 4 | 20001 - 30000 | 17 | 1% | 455770 | 0.26% |
| 5 | 30001 - 40000 | 1 | 0% | 38712 | 0.02% |
| 6 | 40001 - 50000 | 2 | 0% | 90932 | 0.05% |
| 7 | 50001 - 100000 | 2 | 0% | 119512 | 0.07% |
| 8 | 100001 & Above | 40 | 1% | 168697071 | 96.94% |
| | TOTAL | 3535 | 100% | 174025000 | 100% |

9.14 Dematerialization of Shares:

The equity Shares of the company are held in dematerialized form in National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Shares of the company are in compulsory Demat mode. As on 31.03.2010 - 87.25% of the shareholdings were held in Demat mode.



There are no outstanding GDR/ADR/Warrants or any convertible instruments.

9.15 Unpaid/Unclaimed Dividend:

Under Section 205C of the Companies Act, 1956 the amount of dividend unclaimed for a period of seven years from the date of payment shall be transferred to the Investor Education and Protection Fund. Pursuant to this provision the dividend(s) remaining unclaimed in the dividend Account of the Company for the Financial Year 2002-03 shall be transferred to the Investor Education and Protection Fund.

Shareholders who have not en-cashed the Dividend for the Financial Year 2003-2004, 2004-2005, 2005-2006, 2006-07, 2007-08 and 2008-09 are requested to make their claims to the company. No claim shall lie against the company or the said fund in respect of Dividend amounts, which remain unclaimed for a period of seven years from the date of payment and no payment, shall be made in respect of any such claims.

9.16 Plant Locations:

Mandideep Unit:

53A/53B/55, Sector-A, Industrial Area, Mandideep (M.P.)

Itarsi Unit:

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

Betul Unit:

Kosmi, Industrial Area, Betul (M.P.)

9.17 Address for Correspondence:

Mr. Anil Agrawal,
Director,
Sanwaria Agro Oils Limited
E-1/1, Arera Colony, Bhopal- 462016
Tel: 0755 - 4294878
Fax: 0755 - 4295038
E-mail: saolbhopal@rediffmail.com

10. SUBSIDIARY COMPANIES

There is no material non-listed Indian Subsidiary Company, requiring appointment of Independent director of the company on the board of directors of the subsidiary Company. The requirements of the code with regard to Subsidiary companies have been complied with.



Auditors Report to the members of Sanwaria Agro Oils Limited

1. We have audited the attached Balance Sheet of Sanwaria Agro Oils Limited, Bhopal, as at 31st March 2010 and the profit and loss account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the over all financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above and notes forming part of balance sheet and profit & loss account, we report that:

- (i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books;
- (iii) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- (iv) In our opinion, the Balance Sheet and Profit and Loss account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010; and
 - (b) In the case of the Profit and Loss account, of the profit for the year ended on that date.
 - (c) In the case of the Cash Flow Statement for the year ended on that date.

Place : Bhopal
Dated: 23.08.2010

For Sunil Saraf & Associates
Chartered Accountants
Ritesh Rathore
Partner
M.No. 411333
Firm No. 15021C



Annexure To The Auditor's Report

As referred in paragraph (3) of our report of even date attached:

1. In our opinion and according to the information explanation given to us, the nature of company's business/activities during the year is such that clauses vi, xiii, xix, xx are not applicable to the company.
 - (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) These fixed assets have been physically verified by the management during the year. The details of physical verification have been compared with the book records; discrepancies noticed were not material and have been properly dealt with in the books of accounts.
(c) According to information and explanations given to us, no substantial part of fixed assets has been disposed off during the year and would not have an impact on the operations of the Company.
 - (ii) (a) As explained to us, the inventories were physically verified by the management at reasonable intervals during the year.
(b) In our opinion and according to information given to us, the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory. The discrepancies noticed on physical verification of stocks as compared to book records were not material and have been properly dealt with in the books of accounts.
 - (iii) (a) The company has granted unsecured loans, to companies, firms or other parties covered in the register maintained under section 301 of the Act.
(b) In our opinion, the rate of interest and other terms and conditions of loans granted by the company, unsecured, are prima facie not prejudicial to the interest of the company;
(c) Receipt of the principal amount and interest are also regular;
(d) None of the loan is overdue.
(e) The company has taken unsecured loans, from companies, firms or other parties covered in the register maintained under section 301 of the Act.
(f) In our opinion, the rate of interest and other terms and conditions of loans taken by the company, unsecured, are prima facie not prejudicial to the interest of the company;
(g) Payment of the principal amount and interest are also regular;
 - (iv) In our opinion and according to information given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods.
 - (v) (a) To the best of our knowledge and belief and according to information and explanation given to us, transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;
(b) These transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time;
 - (vi) In our opinion and according to the information and explanations given to us, company has not accepted any deposits from the public. As the company has not accepted any deposit from the public paragraph (vi) of the Order, is not applicable.
 - (vii) In our opinion, the company has adequate internal audit system commensurate with its size and nature of its business;
 - (viii) We have been informed that the company has maintained the cost records as per provisions of Section 209(1)(d) of Companies Act, 1956 for their Refinery Division, however we have not verified the same since not in our scope of audit.
 - (ix) (a) According to information and explanation given to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and any other statutory dues with the appropriate authorities. There is no outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable.
(b) According to information and explanation given to us and records of the company examined by us, the particulars of Income Tax/Sales Tax dues as at 31st March, 2010, which have not been deposited on account of dispute, are as follows:



| Name of the statute | Amount (in Rs.) | Period to which the amount related | Forum where pending |
|-----------------------|-----------------|------------------------------------|-----------------------------------|
| Income Tax | 34,835 | Block Assessment | Income Tax Appellate Tribunal |
| Income tax | 16,42,529 | 2000-2001 | Income Tax Appellate Tribunal |
| Income tax | 2,91,124 | 2001-2002 | Assistant Commissioner Income Tax |
| Income tax | 32,48,735 | 2002-2003 | Assistant Commissioner Income Tax |
| Income tax | 6,25,366 | 2003-2004 | Assistant Commissioner Income Tax |
| Income tax | 3,31,88,265 | 2004-2005 | Income Tax Appellate Tribunal |
| Income Tax | 64,48,850 | 2005-2006 | Income Tax Appellate Tribunal |
| Income Tax | 12,63,102 | 2006-2007 | Income Tax Appellate Tribunal |
| MP Vat Act | 91,78,240 | 2004-2005 | Commercial Tax Appellate Tribunal |
| Central Sales Tax Act | 1,337 | | |
| MP Vat Act | 3,70,70,693 | 2005-2006 | Commercial Tax Appellate Tribunal |
| Central Sales Tax Act | 52,41,763 | 2006-2007 | |
| Entry Tax Act | 33,73,329 | | |

- (x) The company has been registered for a period not less than five years; company has no accumulated losses at the end of the financial year and has not incurred cash loss during the current and immediately preceding financial year.
- (xi) In our opinion and according to information given to us, the company has not defaulted in repayment of dues to bank. The company has not obtained any borrowings from any financial institution or by way of debentures.
- (xii) Based on our examination of documents and records, we are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute as specified under paragraph (xiii) of the Order are not applicable to the company.
- (xiv) Based on our information and explanations given to us, the company has maintained proper records of the transactions of Investments and entry has been made timely therein. The company, in its own name, has held investments.
- (xv) According to information and explanations given to us, the terms and conditions for guarantee given for loans/ guarantee taken by others from bank are not prejudicial to the interest of the company.
- (xvi) Term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of the balance sheet and cash flow statement of the company, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act, during the year.
- (xix) The company has not issued debentures. As the company did not have any outstanding debentures during the year, paragraph (xix) of the Order, is not applicable.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Bhopal
Dated: 23.08.2010

For Sunil Saraf & Associates
Chartered Accountants
Ritesh Rathore
Partner
M.No. 411333
Firm No. 15021C



BALANCE SHEET AS ON 31ST MARCH, 2010

| | Schedule | 31.03.2010 | 31.03.2009 |
|---|-------------------------------------|--|----------------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Fund | | | |
| Share Capital | A | 174,025,000 | 174,025,000 |
| Reserve & Surplus | B | 1,711,910,928 | 1,365,786,483 |
| Loan Funds | | | |
| Secured Loan | C | 2,520,681,504 | 1,352,682,931 |
| Unsecured Loans | D | 200,864,796 | 234,775,353 |
| Deferred Tax (Net) | E | 173,718,080 | 163,783,762 |
| TOTAL | | 4,781,200,308 | 3,291,053,529 |
| APPLICATIONS OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | F | 1,492,180,666 | 1,476,828,815 |
| Less: Depreciation | | 215,653,507 | 163,466,083 |
| Net Block | | 1,276,527,159 | 1,313,362,732 |
| Add: Capital Work in Progress | | 2,014,055 | - |
| Total | | 1,278,541,214 | 1,313,362,732 |
| Investments | G | 120,035,814 | 77,226,854 |
| Current Assets, Loans and Advances | | | |
| a) Inventories | H | 1,884,293,422 | 998,567,658 |
| b) Sundry Debtors | | 438,474,794 | 492,727,169 |
| c) Cash & Bank Balances | | 824,066,292 | 503,442,339 |
| d) Loans & Advances | | 633,816,684 | 321,418,738 |
| | a | 3,780,651,192 | 2,316,155,905 |
| Less : Current Liabilities and Provisions | | | |
| a) Current Liabilities | I | 238,374,451 | 381,554,524 |
| b) Provisions | | 188,239,390 | 71,958,910 |
| | b | 426,613,840 | 453,513,434 |
| Net Current Assets | (a-b) | 3,354,037,352 | 1,862,642,471 |
| Miscellaneous Expenditure (To the extent not written off or adjusted) | J | 28,585,929 | 37,821,471 |
| TOTAL | | 4,781,200,308 | 3,291,053,529 |
| Accounting Policies and Notes on Accounts | R | As per our report of even date attached For Sunil Saraf & Associates Chartered Accountants | |
| Place : Bhopal Date : 23.08.2010 For and on behalf of the board | | Ritesh Rathore Partner M. No. 411333 F. No. 15021C | |
| R.N. Agrawal Chairman | Anil Agrawal Whole Time Director | | |



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

| | | Schedule | 31.03.2010 | 31.03.2009 |
|--|-------------------------------------|-------------|--|-----------------------|
| INCOME | | | | |
| Sales | | K | 11,167,570,532 | 11,114,355,756 |
| Other Income | | L | 97,166,987 | 63,060,396 |
| Increase/ (Decrease) in Stock | | M | 73,402,999 | 29,829,547 |
| Total Income | | | 11,338,140,518 | 11,207,245,698 |
| EXPENDITURE | | | | |
| Cost of Material | | N | 9,796,614,778 | 9,557,666,217 |
| Manufacturing Expenses | | O | 237,481,639 | 254,626,586 |
| Administrative & Selling Expenses | | P | 529,577,829 | 661,264,830 |
| Finance Charges | | Q | 145,297,095 | 105,645,810 |
| Total Expenditure | | | 10,708,971,342 | 10,579,203,443 |
| Profit Before Depreciation and Tax | | | 629,169,176 | 628,042,255 |
| Less: Depreciation | | E | 52,745,625 | 56,242,902 |
| Profit Before Tax | | | 576,423,551 | 571,799,353 |
| Less: Provision for Income Tax - Current Tax | | 178,339,705 | | 144,931,272 |
| - Fringe Benefit Tax | | - | | 480,636 |
| - Deferred Tax | | 9,934,319 | 188,274,024 | 45,929,655 |
| Profit After Tax | | | 388,149,527 | 380,457,790 |
| Add: | | | | |
| 1. Balance brought forward | | | 702,940,201 | 498,284,806 |
| 2. Transfer from Revaluation Reserve | | | 8,036,691 | 17,966,303 |
| 3. Excess Provision Written Back | | | 635,705 | 15,689 |
| Less: | | | | |
| 1. Prior Period Items Written Off | | | 1,938,935 | 1,371,110 |
| 2. Earlier years Income Tax liability | | | - | 1,250,633 |
| Amount Available for Appropriation | | | 1,097,823,189 | 894,102,845 |
| Appropriation of Funds | | | | |
| a) Dividend to Equity Shares | | | (34,805,000) | (43,506,250) |
| b) Corporate Dividend Tax | | | (5,916,850) | (7,393,894) |
| c) Transfer to General Reserve | | | (40,000,000) | (40,000,000) |
| d) Transfer to Preference Share Redemption Reserve | | | - | (3,200,000) |
| e) Premium Paid on Redemption of Preference Shares | | | - | (10,050,000) |
| f) Fully paid Bonus Share Issued | | | - | (87,012,500) |
| Balance Carried Forward to Balance Sheet | | | 1,017,101,339 | 702,940,201 |
| Basic Earning per Share (in Rs.) | | | 2.27 | 2.27 |
| Diluted Earning per Share (in Rs.) | | | 2.27 | 2.27 |
| Accounting Policies and Notes on Accounts | | R | As per our report of even date attached For Sunil Saraf & Associates Chartered Accountants | |
| Place : Bhopal | | | | |
| Date : 23.08.2010 | | | | |
| For and on behalf of the board | | | | |
| R.N. Agrawal Chairman | Anil Agrawal Whole Time Director | | Ritesh Rathore Partner M. No. 411333 F. No. 15021C | |



Schedule Forming Part of Balance Sheet and Profit & Loss Account

| Particulars | | | 31.03.2010 | 31.03.2009 |
|--|--------------------|--------------------------------|----------------------|----------------------|
| Schedule A : Share Capital | | | | |
| Authorised Capital | | | | |
| 19,00,00,000 Equity Shares of Rs.1/- each | | | | |
| (Previous year 18,00,00,000 Equity Shares of Rs.1/- each). | | | 190,000,000 | 180,000,000 |
| 20,00,000 Preference Shares of Rs.10/- each | | | | |
| (Previous year 20,00,000 Preference Shares of Rs.10/- each) | | | 20,000,000 | 20,000,000 |
| | | | 210,000,000 | 200,000,000 |
| Issued, Subscribed and Paid Up Capital | | | | |
| 174,025,000 'Equity Shares of Rs.1/- each' | | | 174,025,000 | 174,025,000 |
| (Previous year 174,025,000 Equity Shares of Rs.1/- each). | | | | |
| Total | | | 174,025,000 | 174,025,000 |
| Schedule B : Reserves and Surplus | | | | |
| | Addition | Transfer/ deduction | 31.03.2010 | 31.03.2009 |
| a) Capital Reserve | - | - | 500,000 | 500,000 |
| b) General Reserve | 40,000,000 | - | 225,303,400 | 185,303,400 |
| c) Revaluation Reserve | - | (8,036,691) | 449,006,191 | 457,042,883 |
| d) Security Premium | - | - | - | - |
| e) Preference Share Redemption Reserve | - | - | 20,000,000 | 20,000,000 |
| f) Profit and Loss Account | 394,882,988 | (80,721,850) | 1,017,101,338 | 702,940,200 |
| Total | 434,882,988 | (88,758,541) | 1,711,910,929 | 1,365,786,483 |
| Schedule C : Secured Loans | | | | |
| a) Cash Credit Limit: | | | | |
| From Banks | | | 642,127,383 | 419,395,850 |
| <i>(Cash Credits are secured by Paari Passu charge on the Fixed Assets and Current Assets along with Corporate Gurantee of Company and Personal Gurantee of Directors)</i> | | | | |
| b) Export Packing Credit: PCFC | | | | |
| From Banks | | | 279,502,485 | 179,420,000 |
| <i>(Export Packing Credits are secured by Pari Pasu charge on the Fixed Assets and Current Assets along with Corporate Gurantee of Company and Personal Gurantee of Directors)</i> | | | | |
| c) Short Term Loan: | | | | |
| From Banks | | | 1,599,051,635 | 753,867,081 |
| <i>(Loan is secured by assignment of Receivable of Farmers, second charge on current assets, Corporate Gurantee of Company and Personal Gurantee of Directors)</i> | | | | |
| Total | | | 2,520,681,504 | 1,352,682,931 |



| Particulars | 31.03.2010 | 31.03.2009 |
|--|--------------------|--------------------|
| Schedule D : Unsecured Loans | | |
| From Directors | 200,864,796 | 142,692,878 |
| Inter Corporate Deposits | - | 92,082,475 |
| | 200,864,796 | 234,775,353 |
| Schedule E : Deferred Tax | | |
| <i>Deferred Tax Liability/ (Asset) :</i> | | |
| Arising due to timing difference of Expenses allowable when Paid | | (476,909) |
| <i>Deferred Tax Liability:</i> | | |
| Arising due to timing difference for Depreciation | 173,718,080 | 164,260,671 |
| | 173,718,080 | 163,783,762 |

Schedule - F
Statement of fixed assets and depreciation as on 31.03.2010

| Particulars | Rate (%) | Gross Block as on 01.04.2009 | Addition for purchases | Internal Transfer/ Deduction | Deduction | Gross Block as on 31.03.2010 | Depreciation | | | Net Block | |
|---------------------------------|----------|------------------------------|------------------------|------------------------------|------------------|------------------------------|--------------------|------------------------------------|-----------------------------|----------------------|----------------------|
| | | | | | | | upto 31.03.2009 | Transfer to Pre-operative expenses | Written Off During the year | upto 31.03.2010 | as on 31.03.2010 | as on 31.03.2009 |
| Land and Development | - | 342,554,120 | 438,229 | - | - | 342,992,349 | - | - | - | 342,992,349 | 342,554,120 |
| Site Development | 3.24% | 34,777,402 | 326,675 | - | - | 35,104,083 | 3,957,446 | 1,165,443 | 5,122,889 | 29,981,194 | 30,819,962 |
| Factory Building | 3.24% | 42,968,724 | 2,891,823 | - | - | 45,860,547 | 6,596,021 | 1,487,266 | 8,083,287 | 37,577,260 | 36,372,703 |
| Adm. & Godown Building | 1.63% | 42,726,490 | - | - | - | 42,726,490 | 4,431,417 | 699,441 | 5,127,858 | 37,598,632 | 38,295,073 |
| Plant & Machinery | 5.28% | 574,246,725 | 10,866,334 | - | - | 585,113,059 | 108,522,076 | 30,525,989 | 139,052,065 | 446,060,994 | 465,724,649 |
| Furniture and Fixtures | 6.33% | 3,475,124 | 298,784 | - | - | 3,773,908 | 1,386,206 | 225,166 | 1,611,372 | 2,162,536 | 2,086,918 |
| Office Equipments | 16.21% | 5,075,377 | 360,310 | - | - | 5,435,687 | 3,282,176 | 409,998 | 3,692,164 | 1,743,523 | 1,793,201 |
| Computers | 16.21% | 1,721,081 | 210,795 | - | - | 1,931,876 | 1,362,298 | 171,836 | 1,534,134 | 397,742 | 358,783 |
| Wind Electric Generator | 4.75% | 417,200,000 | - | - | - | 417,200,000 | 30,210,400 | 16,784,517 | 46,994,917 | 370,205,083 | 386,989,600 |
| Vehicles | 9.50% | 12,083,766 | 1,195,807 | - | 1,036,906 | 12,242,667 | 3,710,043 | 558,201 | 4,434,822 | 7,807,845 | 8,365,723 |
| Total | | 1,476,828,815 | 16,388,757 | | 1,036,906 | 1,492,180,666 | 163,466,083 | | 215,653,507 | 1,276,527,159 | 1,313,362,732 |
| Capital Work in Progress | 0.00% | | 2,014,055 | | | 2,014,055 | | | | 2,014,055 | |
| TOTAL | | 1,476,828,815 | 18,402,812 | | 1,036,906 | 1,494,194,721 | 163,466,083 | | 215,653,507 | 1,278,541,214 | 1,313,362,732 |



| Particulars | 31.03.2010 | 31.03.2009 |
|---|----------------------|----------------------|
| Schedule G : Investments | | |
| <u>Long Term - Quoted (at cost)</u> | | |
| <u>Investment with Mutual funds</u> | | |
| Birla Sunlife Cash Plus Fund | 44,605,392 | |
| Birla Sunlife Saving Fund | 9,237,082 | |
| Reliance Money Manager Fund | 1,894,938 | |
| Reliance Monthly Income Fund | 6,395,090 | |
| Reliance Regular Saving Fund | 3,652,196 | |
| Reliance Medium Term Fund | 4,009,076 | |
| Reliance Mutual Fund | - | 20,557,446 |
| HDFC Prudential Fund | - | 6,427,368 |
| <u>Investment In Equity Shares</u> | | |
| <u>Punjab National Bank Ltd.</u> | | |
| [Market value Rs. 96,972/- (Previous Year Rs. 1,19,923/-)] | 92,040 | 92,040 |
| <u>Long Term - Unquoted (at cost)</u> | | |
| <u>Sanwaria Globfin Private Limited</u> | | |
| 2,55,000 Preference Shares of Rs.10/- each fully paid up (Previous Year 2,55,000) | 2,550,000 | 2,550,000 |
| <u>Shrinathji Solvex Limited</u> | | |
| 47,60,000 Equity Shares of Rs.10/- each fully paid (Previous Year 47600000) | 47,600,000 | 47,600,000 |
| Total | 120,035,814 | 77,226,854 |
| Schedule H : Current Assets, Loans & Advance | | |
| <u>A. Current Assets</u> | | |
| 1. <u>Inventories</u> (as verified & certified by the directors) | | |
| Raw Material | 1,458,171,709 | 672,572,459 |
| Stock in Process | 10,222,680 | 8,105,683 |
| Finished Goods | 366,158,853 | 292,755,854 |
| Stores, Spares and Fuel | 26,517,075 | 17,357,304 |
| Packing Materials | 23,223,105 | 7,776,358 |
| | 1,884,293,422 | 998,567,658 |
| 2. <u>Sundry Debtors (Unsecured, Considered Good)</u> | | |
| - More than six months | 15,980,154 | 28,087,540 |
| - Others (below six months) | 422,494,640 | 464,639,629 |
| | 438,474,794 | 492,727,169 |
| 3. <u>Cash and Bank Balances</u> | | |
| Cash In Hand | 14,276,525 | 18,404,780 |
| Fixed Deposits with scheduled Banks | 5,856,572 | 18,471,693 |
| Balances with Scheduled Banks | 803,933,195 | 466,565,866 |
| | 824,066,292 | 503,442,339 |
| Total - A | 3,146,834,508 | 1,994,737,167 |

| Particulars | 31.03.2010 | 31.03.2009 |
|--|----------------------|----------------------|
| B. Loans & Advances (Unsecured, considered good) | | |
| Advances recoverable in cash or kind of for value to be received | 52,699,028 | 66,231,061 |
| Inter-Corporate Loans & Advances | 517,688,343 | 201,972,839 |
| Sundry Deposits | 13,819,865 | 12,058,049 |
| Deposit and Balances with Government Authorities | 46,293,708 | 36,592,836 |
| Accrued Interest on FDR's | 2,134,762 | 3,774,675 |
| Prepaid Expenses | 1,180,978 | 789,278 |
| Total - B | 633,816,684 | 321,418,738 |
| Total A + B | 3,780,651,192 | 2,316,155,905 |
| Schedule I : Current Liabilities & Provisions | | |
| A. Current Liabilities | | |
| Sundry Creditors for Supplies, Capital Goods, Expenses & Others | 187,398,375 | 362,922,401 |
| Other Liabilities | 18,611,724 | 14,778,960 |
| Advances from Customers | 4,961,692 | 2,750,503 |
| Security Deposit | 27,402,660 | 1,102,660 |
| | 238,374,451 | 381,554,524 |
| B. Provisions | | |
| Against Income Tax liability | 178,339,705 | 144,931,272 |
| Less : Paid during the year | 31,481,714 | 124,959,894 |
| | 146,857,992 | 19,971,378 |
| Against Fringe Benefit Tax liability | - | 480,636 |
| Less : Paid during the year | - | 161,666 |
| | - | 318,970 |
| for Excise Duty on Closing Stock | 159,548 | 354,794 |
| for Audit Fees | 500,000 | 413,625 |
| for Dividend | 34,805,000 | 43,506,250 |
| for Corporate Dividend Tax | 5,916,850 | 7,393,894 |
| | 188,239,390 | 71,958,910 |
| Schedule J : Miscellaneous Expenditure | | |
| (to the extent not written off) | | |
| a. Preoperative Expenses : | | |
| Opening Balance | 4,502,197 | 2,092,475 |
| Add: Expenses incurred during the year | - | - |
| Less: 1/10 Written off during the year | 599,886 | 298,925 |
| Total a. | 3,902,311 | 1,793,550 |
| b. Deferred Revenue Expenses : | | |
| Opening Balance | 7,081,484 | 8,261,732 |
| Add: Addition during the year | - | - |
| Less: 1/10 Written off during the year | 1,180,248 | 1,180,248 |
| Total b. | 5,901,236 | 7,081,484 |
| c. Preoperative Expenses : | | |
| Opening Balance | 1,809,699 | 2,011,801 |
| Add: Expenses incurred during the year | - | 3,259,931 |
| Less: 1/5 Written off during the year | 452,425 | 753,386 |
| Total c. | 1,357,274 | 4,518,346 |
| d. Deferred Revenue Expenses : | | |
| Opening Balance | 24,428,091 | 23,074,458 |
| Add: Addition during the year | - | 8,569,764 |
| Less: 1/5 Written off during the year | 7,002,983 | 7,216,131 |
| Total d. | 17,425,107 | 24,428,091 |
| Total a+b+c+d. | 28,585,929 | 37,821,471 |



| Particulars | 31.03.2010 | 31.03.2009 |
|---|-----------------------|-----------------------|
| Schedule K: Sales | | |
| Refined Oil (Gross) | 1,341,932,119 | 1,634,927,439 |
| Crude Oil | 486,342,886 | 558,068,855 |
| Soya Meal | 7,595,395,434 | 6,868,552,015 |
| Food Grains & Others | 1,185,702,971 | 1,965,164,943 |
| Miscellaneous Items (Gross) | 517,564,427 | 46,183,971 |
| Income From Power Generation | 40,632,695 | 41,458,533 |
| | 11,167,570,532 | 11,114,355,756 |
| Schedule L : Other Income | | |
| Interest Income | 59,930,210 | 24,426,013 |
| Miscellaneous Receipts | 21,938,725 | 38,634,383 |
| Insurance Claim Received | 16,329 | - |
| Profit on Sale of Fixed Assets | 138,705 | - |
| Exchange Rate Fluctuation Gain | 15,143,018 | - |
| | 97,166,987 | 63,060,396 |
| Schedule M : Increase/(Decrease) in Stock | | |
| Closing Stocks | 366,158,853 | 292,755,854 |
| Less : Opening Stocks | 292,755,854 | 262,926,307 |
| | 73,402,999 | 29,829,547 |
| Schedule N : Cost of Material | | |
| Consumption of Materials | 8,732,637,395 | 8,201,854,847 |
| Food Grain & others | 1,063,977,383 | 1,355,811,370 |
| Total Cost of Material | 9,796,614,778 | 9,557,666,217 |
| Schedule O : Direct Manufacturing Expenses | | |
| Stores & Spares Consumed | 24,137,652 | 33,101,130 |
| Packing Material Consumed | 4,554,827 | 5,408,122 |
| Power & Fuel Charges | 49,755,889 | 48,579,911 |
| Repairs & Maintenance | 6,933,276 | 2,306,443 |
| Hexane Consumed | 37,029,077 | 47,661,343 |
| Coal Consumed | 80,472,310 | 86,091,109 |
| Manufacturing General Expenses | 34,478,974 | 31,398,244 |
| Excise Duty on closing stock | 119,635 | 80,283 |
| | 237,481,639 | 254,626,586 |

| Particulars | 31.03.2010 | 31.03.2009 |
|---|--------------------|--------------------|
| Schedule P : Administrative & Selling Expenses | | |
| A. Administrative Expenses | | |
| Employees Remuneration & Benefits | 13,910,688 | 12,758,676 |
| Printing, Stationery, Postage, Telephone & Security Expenses | 3,749,379 | 2,966,240 |
| General Expenses | 2,879,318 | 1,472,936 |
| Lease Rent, Rates & Taxes | 1,346,328 | 1,964,254 |
| Warehousing & Insurance Charges | 5,459,411 | 9,264,612 |
| Directors' Remuneration | 24,000,000 | 14,400,000 |
| Chairman's Commission | 2,500,000 | 5,700,000 |
| Legal & Professional Charges | 7,402,405 | 7,249,994 |
| Auditor's Remuneration | | |
| - Statutory Audit Fee | 425,000 | 330,900 |
| - Tax Audit Fee | 75,000 | 82,725 |
| Vehicle Expenses | 944,106 | 1,002,458 |
| Miscellaneous Expenditure Written Off | 9,243,870 | 9,448,690 |
| Total - A | 71,935,505 | 53,882,809 |
| B. Selling & Distribution Expenses | | |
| Product Selling Expenses (Lecithin, Soya, Oil, Flour, Packing Material) | 261,499,325 | 346,016,605 |
| Shortage & Quality Rebate | 66,454,073 | 92,979,398 |
| Advertisement | 2,720,368 | 1,086,359 |
| Brokerage | 4,419,027 | 7,168,917 |
| Foodgrain Expenses | 105,839,148 | 144,485,035 |
| Sales Tax | 13,125,525 | - |
| Travelling Expenses | | |
| - Directors | 3,091,230 | 2,887,031 |
| - Others | 493,628 | - |
| Total - B | 457,642,324 | 594,623,345 |
| Total (A+B) | 529,577,829 | 648,506,154 |
| Schedule Q : Finance Charges | | |
| Interest to Banks | 105,079,055 | 89,667,539 |
| Bank Charges & Commission | 20,929,554 | 8,387,668 |
| Interest to Others | 19,288,486 | 7,590,603 |
| | 145,297,095 | 105,645,810 |

Schedule – R : Notes forming part of balance sheet and profit & loss account

A. SIGNIFICANT ACCOUNTING POLICIES:

1. **Method of Accounting:** The Company maintains its accounts on accrual basis following the historical cost convention in accordance with applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and relevant provisions of the Companies Act, 1956.
2. **Revenue Recognition:** The Company recognises sale on completion of sale of goods. Sales comprise amounts invoiced for goods sold net of returns and discounts, rebates and sales tax.
3. **Fixed Assets:**
 - i. Land & Development are valued at cost.
 - ii. Other fixed assets are stated at cost less accumulated depreciation.
 - iii. Additional Depreciation on re-valued asset apportioned to revaluation reserve.
 - iv. The cost of assets comprises its purchase price and any direct cost of bringing the assets to working condition for its intended use and revaluation thereof.
4. **Depreciation:**
 - a) The depreciation on the fixed assets has been provided on Straight Line Method on pro-rata basis in accordance with the rates prescribed as per Schedule XIV to the Companies Act, 1956.
 - b) Depreciation on re-valued assets is calculated on straight-line method at the rates prescribed under Schedule XIV of the Companies Act, 1956. The difference between depreciation on assets based on revaluation and that on original cost is transferred from Revaluation Reserve to profit & loss account.
5. **Investments:** Investments are valued at cost.
6. Deferred Revenue Expenditure is written off over a period of 10 years for old balances and 5 years for new expenses incurred from FY 2008-2009.
7. **Inventories are valued as under:**
 - i. Raw material, Stores & Spares are valued at lower of cost (on FIFO basis) or net realisable value which ever is lower.
 - ii. Work in Process at cost including related overheads.
 - iii. Finished Goods are valued at cost or estimated realisable value which ever is lower.

The valuation is in accordance with the accounting standard issued by the Institute of Chartered Accountants of India.
8. **Income Tax:** Provision for income tax is made on the basis of estimated taxable income as calculated by the management.
9. **Foreign Currency Transactions:** All foreign currency transactions are accounted at the rates prevailing on the date of transactions. The profit/ loss on account of difference in the exchange rate on the day of sale and receipt are charged to Profit and Loss Account for the period.
10. **Excise Duty:** Excise Duty paid on goods manufactured by the company and remaining in inventory, is included as part of valuation of finished goods.
11. **Borrowing costs:** Borrowing cost that is attributable to the acquisition, construction or productions of qualifying assets are capitalises as part of the cost of such assets. All other borrowing costs are recognised as an expense in the period, which they are incurred.
12. **Deferred Tax:** The company is recognising the deferred tax assets and deferred tax liability on timing difference arising between tax profits and book profits according to AS-22 "Accounting of Taxes on Income" issued by the Institute of Chartered Accountants of India at prevailing rate of Income Tax Act, 1961.

13. Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using a substantial degree of estimation, if:

- The company has present obligation as a result of a past event,
- A probable outflow of resources is expected to settle the obligation and
- The amount of obligation can be reliably estimated

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of:

- A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation
- A possible obligation, unless the probability of outflow of resources is remote.

Contingent Assets are neither recognised nor disclosed

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet Date.

B. NOTES TO ACCOUNTS

1. Contingent Liabilities:

- Bank guarantee: Rs. 173.45 lacs.
- The company has not deposited following statutory dues on account of dispute and for which preferred an appeal:

| Name of the statute | Amount (in Rs.) | Period to which the amount related | Forum where pending |
|-----------------------|-----------------|------------------------------------|-----------------------------------|
| Income Tax | 34,835 | Block Assessment | Income Tax Appellate Tribunal |
| Income tax | 16,42,529 | 2000-2001 | Income Tax Appellate Tribunal |
| Income tax | 2,91,124 | 2001-2002 | Assistant Commissioner Income Tax |
| Income tax | 32,48,735 | 2002-2003 | Assistant Commissioner Income Tax |
| Income tax | 6,25,366 | 2003-2004 | Assistant Commissioner Income Tax |
| Income tax | 3,31,88,265 | 2004-2005 | Income Tax Appellate Tribunal |
| Income Tax | 64,48,850 | 2005-2006 | Income Tax Appellate Tribunal |
| Income Tax | 12,63,102 | 2006-2007 | Income Tax Appellate Tribunal |
| MP Vat Act | 91,78,240 | 2004-2005 | Commercial Tax Appellate Tribunal |
| Central Sales Tax Act | 1,337 | | |
| MP Vat Act | 3,70,70,693 | 2005-2006 | Commercial Tax Appellate Tribunal |
| Central Sales Tax Act | 52,41,763 | 2006-2007 | |
| Entry Tax Act | 33,73,329 | | |

- Figures shown in the financial statements have been rounded off to the nearest rupee.
- Share Capital:-** Pursuant to the resolution passed at Annual General Meeting held on 30th September 2009, the Authorised Share Capital of the company has been increase by the sum of Rs. 1,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 1 each.
- The Board of Directors had proposed 20% interim and final dividend to the shareholders whose names were appearing in the register of members on the record date. The suitable provision for payment of dividend to equity shareholders and dividend tax has been made.
- Capital Commitment:** The total capital commitment of the company during the year amounted to Rs. 10000 lacs (Previous year Rs. 10,000 lacs).



6. **Sundry Debtors/Loans and Advances:** In the opinion of the board of directors of the company, the current asserts, loans and advances have the value on realisation in the ordinary course of the business at least equal to the amount at which they are stated and that the provisions for all the known liabilities are adequate and not in excess of the amount reasonably necessary.
7. Balances with Sundry Creditors, Sundry Debtors, Loans and Advances are subject to confirmation/reconciliation.

8. **Prior Period Items :**

Previous Year's expenses amounting to Rs. 19,38,935/- have been charged to Prior Period Expenses.

9. The Itarsi Unit of the Company has been given Sales Tax exemption vide letter No. 93 dated 24/12/1998 from District Business & Industrial Centre, Hoshangabad. The company has given status of 'EOU' and allowed Sales Tax Exemption from 01.08.1998 for 250% of Capital Investment as sales Tax Exemption. The company has applied for exemption under Thrust Sector to State Government, Therefore there is no liability towards M.P. Commercial Tax and Central Sales Tax Act for sales produced by solvent extraction plant up to 31st July 2009. From 1st August 2009 Company has recognized and paid MP VAT Tax, Central Sales Tax and Entry Tax liability in accordance with the applicable Acts.
10. The company has to comply with the Accounting Standard - 15 (AS-15) on "Accounting for retirement benefits in the Financial Statements of Employers". The retirement benefit costs (Gratuity Provision) have not been determined by the Management; however Company was provided Rs.20 lacs as Gratuity Provision in the books of Accounts up to F.Y. 2008-2009 consequently disclosed in the financial statements.
11. Packing Credit in Foreign Currency (PCFC) loan from Standard Chartered Bank, Bhopal has been accounted for in terms of Indian Rupees at exchange rate prevailing on the date of availment and outstanding on balance sheet date, has been provided at the exchange rate relevant to balance sheet date. The difference on account of exchange fluctuation of Rs. 78.58 lacs on the balance sheet date have been credited to profit and loss account included in the bank commission and charges.
12. The company has incurred profit of Rs.151.43 Lacs due to hedging in foreign exchange for exports of DOC/Soyameal and has been recognized in Other Income to that extent.
13. Sales and cost of material includes inter unit transfers of Rs. 31673.20 Lacs for FY 2009-10. The relevant corresponding inter unit transfers included in the sales and cost of material for FY 2008-09 were Rs. 30,224.61 Lacs.
14. The Mandideep Unit of the Company has been given Sales Tax exemption vide letter No. 1/FA/(5)/92/241 dated 07-06-2005 of Directorate of Industries, Bhopal, from 30.03.2005 to 08.05.2008. The Company has applied for further Exemption to State Appellate Forum. Therefore, there is no liability has been recognized towards M.P. Commercial Tax and Central Sales Tax Act for sales produced by the unit.

15. **Managerial Remuneration:**

| | Particulars | 2009-10 | 2008-09 |
|----|---------------------------------|---------------|---------------|
| a. | Remuneration to Other Directors | 240.00 | 144.00 |
| b. | Commission to Chairman | 25.00 | 57.00 |
| | Total | 265.00 | 201.00 |

16. The company has dispatch the letters its vendor for obtaining their status of Micro, Small or Medium enterprises as per the Micro, Small or Medium Enterprises Development Act 2006, however no response or reply received from the vendor in this respect. Therefore in absence of information from suppliers about their status as Small Scale Industrial Undertakings, the company unable to give information about the outstanding dues of such undertakings.

17. The Board of Directors has estimated Rs.4,00,000/- as payment of Bonus to Employees for the year 2009-10.

18. The company has undertaken following transactions with the related parties in terms of Accounting Standard-18 "Related Party Disclosures":

(Rs. in Lacs)

| Particulars | Associates & Subsidiary | | Key management personnel | | Relatives | |
|-------------------------------------|-------------------------|-------------|--------------------------|-------------|------------|------------|
| | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 | 2009-2010 | 2008-2009 |
| Sales | 172.02 | 495.62 | - | - | - | - |
| Purchase of Raw Materials | 3025.48 | 2872.26 | - | - | - | - |
| Rent Paid (incl. Warehousing chgs.) | 37.13 | 28.08 | 0.68 | 0.68 | 3.00 | 3.00 |
| Loan Taken | 158.48 | - | Cr. 1576.69 | Cr. 1426.14 | Cr. 220.33 | Cr. 181.80 |
| Inter Corporate Deposits | Cr. 5119.20 | Cr. 753.19 | - | - | - | - |
| Loan & Advances Given | Dr. 6.72 | Dr. 2037.31 | - | - | - | - |
| Interest Paid | 1.12 | 1.54 | 179.64 | 52.94 | - | 7.47 |
| Interest Received | 114.46 | 90.33 | - | - | - | - |
| Balance | Cr. 5112.48 | Dr. 1284.12 | Cr. 1576.69 | Cr. 1426.14 | Cr. 220.33 | Cr. 181.80 |

Note: i. The name of related parties with the nature of relationship:

| Associates | Relatives |
|--|-----------------------------------|
| M/s Nathuram Shrinarayan, Itarsi | Ramnarayan Agrawal HUF |
| M/s Ashok Dall & Oil Mills, Itarsi | Satish Kumar Agrawal HUF |
| M/s N. S. Corporation, Itarsi | Ashok Kumar Agrawal HUF |
| M/s Shrinathji Warehousing Corpo., Itarsi | Gulabchand Agrawal HUF |
| M/s R.N. & Sons, Itarsi | Anil Agrawal HUF |
| M/s Sanwaria Foods Ltd., Itarsi | Smt. Geetadevi Agrawal |
| M/s Sanwaria Globfin Private Limited, Itarsi | Smt. Anju Agrawal |
| M/s Sanwaria Energy Ltd., Bhopal | Smt. Sadhna Devi Agrawal |
| M/s Sanwaria Infrastructure Ltd., Bhopal | Ms. Sonu Agrawal |
| | Shri Rajul Agrawal |
| Key Management Personnel | Shri Ashutosh Agrawal |
| Shri R. N. Agarwal, Chairman | Shri Abhishek Agrawal |
| Shri Satish Agarwal, Director | |
| Shri Ashok Agarwal, Director | Subsidiary Companies |
| Shri Gulab Chand Agarwal, Director | M/s Shrinathji Solvex Ltd., Harda |
| Shri Anil Agrawal, Director | |

ii. Remuneration and fees paid to Directors is disclosed elsewhere in the notes to accounts.

19. Earning Per Share (EPS):

| | | 2009-10 | 2008-09 |
|-----------------|---|------------------|------------------|
| BASIC & Diluted | | | |
| a. | Profit attributable to ordinary shareholders (Rs.in Lacs) | Rs. 3947.92 | Rs. 3958.18 |
| b. | Weighted average no. of ordinary shares outstanding | Rs. 17,40,25,000 | Rs. 17,40,25,000 |
| c. | Nominal value of ordinary shares | Rs. 1/- | Rs. 1/- |
| d. | Basic & Diluted Earnings per share (a)/(b) | Rs. 2.27 | Rs. 2.27 |

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders (net profit for the period less dividend and tax thereof on preference shares) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all diluted potential equity shares and options on un-issued share capital.



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खाणा बने
Tasty
दिमाग बने
तेज़

Narmada
Refined Soyabean Oil

Omega 3
दुबला फायदा
Vitamin E



अब देखो
तेल का खेल

खाणा बने
Tasty
दिमाग बने
तेज़

Narmada
Refined Soyabean Oil

Omega 3
दुबला फायदा
Vitamin E

20. Segment Reporting Primary Segment Reporting

| S.No. | | External Sales | Inter Segment Sales | Total |
|----------|--|----------------------------|-----------------------|---|
| 1 | Segment Revenue | | | |
| | a) Segment Solvent Extraction & Refining | 111269.38 | - | 111269.38 |
| | b) Segment Power Generation | 307.40 | 98.93 | 406.33 |
| | Total | 111576.78 | 98.93 | 111675.71 |
| | Less: Inter Segment Revenue | | | 98.93 |
| | Total Revenue | | | 111576.78 |
| 2 | Segment Results | | | |
| | a) Segment Solvent Extraction & Refining | | | 6172.50 |
| | b) Segment Power Generation | | | 236.11 |
| | Total | | | 6408.61 |
| | Profit Before Interest, etc. and Taxation | | | 6408.61 |
| | Less: i) Interest paid | | | 1243.68 |
| | ii) Other | | | - |
| | Un-allocable Expenditure net-off | | | - |
| | Un-allocable Income | | | |
| | Add: i) Interest Income | | | 599.30 |
| | ii) Investment Income | | | 0.00 |
| | Profit Before Tax | | | 5764.24 |
| | Provision for Taxation | | | 1882.74 |
| | Profit After Tax | | | 3881.50 |
| 3 | Other Information | | | |
| | | | Segment Assets | Segment Liabilities |
| | a) Segment Solvent Extraction & Refining | | 46869.73 | 2373.61 |
| | b) Segment Power Generation | | 3702.05 | 16.73 |
| | Segment Total | | 50571.78 | 2390.34 |
| | Un-allocated Corporate Assets/Liabilities | | 1200.36 | 30828.44 |
| | Total | | 51772.14 | 33218.78 |
| | | Capital Expenditure | Depreciation | Non Cash Expenditure other than depreciation |
| | a) Segment Solvent Extraction & Refining | 184.03 | 359.61 | 92.44 |
| | b) Segment Power Generation | - | 167.85 | - |
| | Total | 184.03 | 527.46 | 92.44 |

* Segment Liabilities is before considering provision of Taxation, Proposed Dividend, Secured Loan, and Unsecured Loan. These have been included under 'Unallocated Corporate Liabilities'.

NOTES

- (1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

The Company is currently focused on two business segment:

| | | |
|-------------------------------|----|--|
| Solvent Extraction & Refining | :- | Processing, Extraction and Refining of Soya seed and Soya refined oil and trading. |
| Power Generation | :- | Power Generation through Wind Electric Generators (WEG). |

21. The company has recognised the deferred tax assets and deferred tax liability according to the accounting Standard 22 "Taxes on Income" issued by the Institute of Chartered Accountants of India. The net of Deferred tax adjustments for the year ended on 31st March, 2010 resulted into the Deferred Tax Liability of Rs. 459.29 lacs duly provided for in the Profit & Loss Account of the company and adjusted from the opening balance of Deferred Tax Liability.

22. Auditors Remuneration (including taxes):

(In Rs.)

| | | |
|----|-----------------|-----------------|
| a. | Statutory Audit | 4,25,000 |
| b. | Tax Audits | 75,000 |
| | Total | 5,00,000 |

23. Previous Year's figures have been regrouped and rearranged wherever considered necessary.

24. Amounts have rounded off to the nearest rupee.



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खाणा बने Tasty दिमाग बने तेज़

Omega 3
दुग्ध फॉस्फोरस
vitamin E

Narmada
Refined Soybean Oil

25. Additional Information: as required under part II of Schedules VI to the Companies Act, 1956 are as under :

(Qty. in MT) (Value in Lac Rs.)

| PARTICULARS | 2009-2010 | | 2008-2009 | |
|--|------------------|-----------|------------------|-----------|
| | Qty | Value | Qty | Value |
| Capacity (As certified by management) | | | | |
| Licensed : Solvent Extraction (In TPD) | Not Required | | Not Required | |
| Licensed : Oil Refinery (In TPD) | Not Required | | Not Required | |
| Installed : Solvent Extraction (In TPD) | 2500 | | 2500 | |
| Installed : Oil Refinery (In TPD) | 250 | | 250 | |
| Production (In MT) | | | | |
| De-Oiled Cakes | 184,917.309 | | 218522.256 | |
| Soya Oil – Crude Oil | 37,754.995 | | 42,700.618 | |
| - Refined Oil | 27,701.018 | | 30,733.074 | |
| Sale of Finished Goods | | | | |
| De-Oiled Cakes | 371,922.995 | 75,953.95 | 368,958.228 | 68,685.52 |
| Soya Oil – Crude Oil* | 40,784.700 | 4,863.43 | 44,935.276 | 5,580.69 |
| - Refined Oil | 27,589.593 | 13,419.32 | 31,021.650 | 16,349.27 |
| Opening Stock of Finished Goods | | | | |
| De-Oiled Cakes | 7,750.822 | 1,659.76 | 6,440.710 | 1,030.51 |
| Soya Oil – Crude Oil | 753.831 | 316.33 | 1,050.395 | 575.62 |
| - Refined Oil | 663.012 | 285.79 | 948.275 | 572.76 |
| Closing Stock of Finished Goods | | | | |
| De-oiled Cakes | 7,266.483 | 1,489.63 | 7,750.822 | 1,659.76 |
| Soya Oil – Crude Oil | 1,084.046 | 471.56 | 753.831 | 316.33 |
| - Refined Oil | 774.434 | 360.56 | 663.012 | 285.79 |
| Purchase of Material | | | | |
| - Soybean | 244,160.491 | 52,010.94 | 209,394.232 | 45,771.17 |
| - Others | | 1,287.99 | | 1,491.83 |
| Consumption of Raw Material | | | | |
| Soya Seed | 219,662.476 | 44,746.46 | 253,547.694 | 54,490.17 |
| Details of Consumption | 2009-2010 | | 2008-2009 | |
| | Amount | % | Amount | % |
| Raw Material | | | | |
| - Imported | - | 0% | 0 | 0% |
| - Indigenous | 44,746.46 | 100% | 54,490.17 | 100% |
| Stores and Spares | | | | |
| - Imported | - | 0% | - | 0% |
| - Indigenous | 231.71 | 100% | 302.86 | 100% |

* Quantity of crude oil sale includes quantity transferred to Refinery.

26. Other Details:

| Particulars | 2009-2010 | 2008-2009 |
|---|----------------|----------------|
| Expenditure in Foreign Currency | NIL | NIL |
| CIF Value of Imports | NIL | Nil |
| Gross Earnings in Foreign Currency | US\$ 42,29,723 | US\$ 52,27,440 |
| Amount remitted during the year in Foreign Currency | NIL | Nil |

Place : Bhopal
Date : 23.08.2010
For and on behalf of the board

For Sunil Saraf & Associates
Chartered Accountants

R.N. Agrawal
Chairman

Anil Agrawal
Whole Time Director

Ritesh Rathore
Partner
M. No. 411333
F. No. 15021C

**Balance Sheet Abstract And Company's General Business Profile**

| | |
|--|---|
| I Registration Details | |
| Registration No. | State Code |
| 06395 | 10 |
| Balance Sheet Date | |
| 31.03.10 | |
| II Capital raised during the year (Amount in Rs. Thousand) | |
| Public Issue | Rights Issue |
| Nil | Nil |
| Bonus Issue | Private Placement |
| Nil | Nil |
| III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand) | |
| Total liabilities | Total Assets |
| 5,207,814 | 5,207,814 |
| Sources of Funds | |
| Paid up Capital | Reserves & Surplus |
| 174,025 | 1,711,911 |
| Secured Loans | Unsecured Loans |
| 2,520,682 | 200,865 |
| Current Liabilities | Deferred Tax Liabilities/ (Assets) |
| 426,614 | 173,718 |
| Application of Funds | |
| Net Fixed assets | Investments |
| 1,278,541 | 120,036 |
| Current Assets | Misc. Expenditure |
| 3,780,651 | 28,586 |
| IV Performance of Company (Amount in Rs. Thousand) | |
| Turnover | Total Expenditure |
| 11,338,141 | 10,761,717 |
| Profit/ (Loss) before tax | Profit/ (Loss) after tax |
| 576,424 | 388,150 |
| Basic Earning per Share in Rs. | Dividend Rate % |
| 2.27 | 20% |
| V Generic Names of Three Principal Products / Services of the Company as per monetary terms | |
| 1 Item Code No. (ITC Code) | 15071000 |
| Product Description | SOYABEAN CRUDE OIL |
| 2 Item Code No. (ITC Code) | 1507900010 |
| Product Description | SOYABEAN OIL EDIBLE |
| 3 Item Code No. (ITC Code) | 23040001 |
| Product Description | SOYA DOC/SOYAMEAL/SOYAFLOUR |
| Signature to Schedule A to R forming part of Balance Sheet and Profit and Loss Account. | |
| Place : Bhopal | As per our report of even date attached |
| Date : 23.08.2010 | Sunil Saraf & Associates |
| For and on behalf of the board | Chartered Accountants |
| R.N. Agrawal Chairman | Ritesh Rathore Partner |
| Anil Agrawal Whole Time Director | M. No. 411333 F. No. 15021C |



Corporate Governance Certificate

To the Members of **Sanwaria Agro Oils Limited**

We have examined the compliance of the conditions of Corporate Governance by Sanwaria Agro Oils Limited, Bhopal for the year ended on 31st March 2010 as stipulated in clause 49 of the listing agreement of the Company with Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievances are pending for the period exceeding one month against the company as per records maintained by the Share and Investor's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Place : Bhopal
Dated: 23.08.2010

For: Sunil Saraf & Associates
Chartered Accountants

Ritesh Rathore
Partner
M.No. 411333
Firm No. 15021C

Auditors Certificate

We have reviewed the Cash Flow Statement of Sanwaria Agro Oils Limited, Bhopal derived from the audited annual financial statements for the year ended as on 31st March, 2010 and found the same in accordance therewith, and also with the requirements of clause 32 of the listing agreement with the Stock Exchanges.

Place : Bhopal
Dated: 23.08.2010

For: Sunil Saraf & Associates
Chartered Accountants

Ritesh Rathore
Partner
M.No. 411333
Firm No. 15021C



Cash Flow Statement for the Year ended 31st March 2010

(Rs. In Lacs)

| Sl. No. | Particulars | 2009-2010 | 2008-2009 |
|----------|---|--------------------|-------------------|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | |
| | Net Profit before Tax and Extraordinary Items | 5,764.24 | 5,717.99 |
| | Add: Non Operating Items | | |
| | 1 Depreciation | 527.46 | 562.43 |
| | 2 Misc. Expenses Written Off | 92.44 | 94.49 |
| | 3 Interest Paid | 1,243.68 | 972.58 |
| | 4 Interest Received | (599.30) | (244.26) |
| | 5 Loss/(Gain) on Investment | (14.94) | (35.92) |
| | Operating Profit Before Working Capital Changes | 7,013.57 | 7,067.31 |
| | Add: Working Capital Changes | | |
| | 1 Decrease/(Increase) in Sundry Debtors | 542.52 | 450.99 |
| | 2 Decrease/(Increase) in Loans & Advances Given | (3,123.98) | (2,425.32) |
| | 3 Decrease/(Increase) in Inventories | (8,857.26) | 7,738.89 |
| | 4 Increase/(Decrease) in Bank Loan | 11,679.99 | (1,420.44) |
| | 5 Increase/(Decrease) in Deferred Tax | 99.34 | 459.30 |
| | 6 Increase/(Decrease) Trade & Other Payables | (269.00) | (1,362.00) |
| | | 7,085.19 | 10,508.73 |
| | Less: Income Tax Provision | (1,783.40) | (1,469.26) |
| | Fringe Benefit Tax | - | (4.81) |
| | Deferred Tax Provision | (99.34) | (459.30) |
| | Cash Flow before Extraordinary items | 5,202.45 | 8,575.37 |
| | Add/(Less): Extraordinary Items | | |
| | 1 Prior Period Expenses Written Off | (19.39) | (13.71) |
| | 2 Tax of Earlier Years | - | (12.51) |
| | 3 Excess Provision Written Back | 6.36 | 0.16 |
| | Net Cash From Operating Activities | 5,189.42 | 8,549.31 |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | |
| | 1 Decrease/(Increase) in Fixed Assets (Excluding Revaluation) | (179.32) | (558.69) |
| | 2 Decrease/(Increase) in Investments in Shares | (428.09) | (496.53) |
| | 4 Decrease/(Increase) in Miscellaneous Expenditures | 0 | (118.30) |
| | 5 Interest Received | 599.30 | 244.26 |
| | 6 Gain on Investment | 14.94 | 35.92 |
| | Net Cash Flow From Investing Activities | 6.83 | (893.33) |
| C | CASH FLOW FROM FINANCING ACTIVITIES | | |
| | 1 Equity Share Capital Issued | - | - |
| | 2 Preference Share Capital Issued | - | - |
| | 3 Security Premium on Equity Share Capital | - | - |
| | 4 Redemption of Preference Share Capital | - | (398.00) |
| | 5 Dividend Paid | (407.22) | (509.00) |
| | 6 Interest Paid | (1,243.68) | (972.58) |
| | 7 Unsecured Loan Raised | (339.11) | (2,030.23) |
| | Net Cash Flow From Financing Activities | (1,990.00) | (3,909.81) |
| | Net Increase/(Decrease) in Cash & Cash Equivalents | (A + B + C) | 3,206.24 |
| | Cash & Cash Equivalent at the end of Period | A | 5,034.42 |
| | Cash & Cash Equivalent at the beginning of Period | B | 1,288.39 |
| | Net Increase/(Decrease) in Cash & Cash Equivalents | (A - B) | 3,206.24 |

Note : Note to the cash flow statement

1. Previous years figures are rearranged/regrouped where ever necessary.
2. Cash & Cash Equivalents includes cash and bank balances.

For Sanwaria Agro Oils Limited

Place : Bhopal
Date : 23.08.2010

R.N. Agrawal
Chairman

Anil Agrawal
Whole Time Director

THRUST ON RETAIL

Company has forayed in retail segment and has various tie-up arrangements with retail chains/malls like Vishal Retail Ltd, Reliance Fresh Ltd., Pantaloon India (Big Bazar) and ITC Chaupals etc. Through these routs company has target of achieving 20%-30% contribution of total revenue within two years.



Reliance Fresh Limited



Vishal Retail Limited



ITC Choupals

QUALITY PRODUCTS FROM



THE HOUSE OF SANWARIA



An ISO-9001:2000 Certified Company



A Quality Product of
SANWARIA GROUP

जो तेल का खेल समझेगा,
उसी का बच्चा
Intelligent
बनेगा !!



Narmada

Refined Soyabean Oil

अब देखो
तेल का खेल

